

**FILED**  
CLERK, U.S. DISTRICT COURT

August 18, 2017

CENTRAL DISTRICT OF CALIFORNIA

BY: CMJ DEPUTY

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**UNITED STATES DISTRICT COURT**

**CENTRAL DISTRICT OF CALIFORNIA**

GORDON AND MARY FELLER, and  
ANDREW KRIEGMAN, as trustee for the  
ADRIENNE L. HENDLER REVOCABLE  
TRUST dated 6/4/1993, the ELIZABETH  
KRIEGMAN REVOCABLE TRUST dated  
6/8/1993, and the PATRICIA SOKOLOW  
REVOCABLE TRUST dated 6/4/1993, and  
GERALD R. LYONS, DONNA M. AND  
CLARENCE E. WHITE, and GAIL  
THOMPSON, individually and as Power of  
Attorney for LOIS THOMPSON, and ERIC  
SCHNECK as trustee for the BURTON I.  
SCHNECK IRREVOCABLE LIFE  
INSURANCE TRUST dated 2/24/1997, on

Case No. 2:16-cv-01378-CAS-AJW

**SECOND CONSOLIDATED  
AMENDED CLASS ACTION  
COMPLAINT  
DEMAND FOR JURY TRIAL**

1. Breach of Contract
2. Breach of the Implied Covenant of Good Faith and Fair Dealing
3. Breach of Duty of Good Faith and Fair Dealing
4. Injunctive and Restitutionary Relief pursuant to Cal. Bus. & Prof. Code §17200, *et seq.*

1 behalf of themselves and all others similarly  
2 situated,

3 Plaintiffs,

4 vs.

5 TRANSAMERICA LIFE INSURANCE  
6 COMPANY,

7 Defendant.

5. Declaratory Relief
6. Preliminary and Permanent Injunctive Relief
7. Elder Abuse pursuant to Cal. Wel. & Inst. Code §15657.5, *et seq.*

8 Plaintiffs, by and through the undersigned attorneys, bring this action on  
9 behalf of themselves and all others similarly situated against Defendant  
10 Transamerica Life Insurance Company (“Transamerica”). Plaintiffs allege the  
11 following on information and belief, except as to those allegations that pertain to  
12 the named Plaintiffs, which are alleged on personal knowledge.

13 **NATURE OF THE ACTION**

14 1. In the late 1980s and early 1990s, Transamerica sold hundreds of  
15 millions of dollars in universal life insurance policies under which it agreed to  
16 credit interest on policyholders’ accounts at guaranteed annual rates generally  
17 ranging between 4.0% and 5.5% (the “Policies”).<sup>1</sup> Plaintiffs and the Class members  
18 bought these Policies so that they and their families would be protected as they  
19 entered their senior years. But, beginning in August 2015, Transamerica suddenly,  
20 unilaterally, and massively began increasing the monthly deductions withdrawn  
21 from the Policies’ accumulation accounts by as much as 100% (the “MD  
22 Increase”), falsely stating that the increase was permitted by the terms of the  
23 Policies. Transamerica’s true reasons for imposing the drastic MD Increase  
24 however, were to: (a) subsidize its cost of meeting its interest rate guarantees under

25 <sup>1</sup> Plaintiffs in this action allege no claim premised on deception at the time of sale  
26 of the Policies or any other pre-sale conduct by Transamerica; Plaintiffs’ claims are  
27 instead exclusively premised on Transamerica’s actions in imposing the MD Rate  
28 Increase beginning in August 2015.

1 the Policies; (b) to recoup past losses in violation of the terms of the Policies; and  
2 (c) induce policy terminations by elderly policyholders.

3 2. To maximize the number of elderly policyholders who would  
4 surrender their Policies and lose their insurance coverage, Transamerica sent letters  
5 to policyholders directing them to contact a designated Transamerica hotline with  
6 any questions about the annual premiums increase, rather than the agents who they  
7 had dealt with for many years. Transamerica has also begun to refuse to provide  
8 policyholders with illustrations showing how their Policies will perform as a result  
9 of the MD Increase. Instead, Transamerica will now only provide policy  
10 illustrations depicting how the Policies would perform if the Monthly Deduction  
11 Rates were raised to a level even higher than the rates imposed by the MD Increase.  
12 . Transamerica hopes that by showing elderly policyholders the most pessimistic  
13 Policy performance possible, they will surrender their Policies. As a result of  
14 Transamerica's actions, thousands of class members are faced with the imminent  
15 harm of either paying the exorbitant and unjustified new charges, or forever losing  
16 the benefits for which they have dutifully paid premiums for many years.

17 3. Plaintiffs in this action seek injunctive and equitable relief, and  
18 ancillary damages, to halt and reverse Transamerica's massive increase in the  
19 monthly deduction that is withdrawn from their accounts each month. This increase  
20 has already injured Plaintiffs and, if allowed to proceed, will continue to cause  
21 irreparable injury to Plaintiffs and other members of the putative classes  
22 (collectively "Class Members").

23 4. As further described below, Transamerica's sudden and unilateral  
24 increase in the Monthly Deduction charges constitutes a breach of its express and  
25 implied obligations under each and every policy, a violation of the unlawful and  
26 unfair prongs of California's Unfair Competition Law ("UCL"), and a violation of  
27 California's Elder Abuse Statutes.

**THE PARTIES**

5. Plaintiffs Gordon Feller and Mary Feller (collectively “Feller”) are husband and wife, and at all times herein mentioned, were citizens of the State of California. On or about September 13, 1989, Transamerica Occidental Life Insurance Company (“Transamerica Occidental”) from its Los Angeles office issued to Feller an adjustable universal life insurance policy (Policy No. 9229114) with a face amount of \$500,000.

6. Plaintiff Andrew Kriegman is a citizen of New York and trustee for the Adrienne L. Hendler Revocable Trust dated 6/4/1993 (the “Hendler Trust”), the Elizabeth Kriegman Revocable Trust dated 6/8/1993 (the “Kriegman Trust”), and the Patricia Sokolow Revocable Trust dated 6/4/1993 (the “Sokolow Trust”).

7. These Trusts, settled by the three daughters of Harold and Shirley Leviton, own the following Transamerica universal life insurance policies each of which was issued by Transamerica Occidental from its offices located in Los Angeles, California:

**Hendler Trust**

- Policy No. 92469810 – Face Amount \$1,666,667 – Issued 3/22/1994
- Policy No. 92492271 – Face Amount \$1,666,667 – Issued 11/10/1994
- Policy No. 92498158 – Face Amount \$1,400,000 – Issued 2/15/1995
- Policy No. 92531551 – Face Amount \$3,333,333 – Issued 7/19/1996

**Kriegman Trust**

- Policy No. 92469811 – Face Amount \$1,666,667 – Issued 3/22/1994
- Policy No. 92492487 – Face Amount \$1,666,667 – Issued 7/15/1994
- Policy No. 92498153 – Face Amount \$1,400,000 – Issued 2/15/1995
- Policy No. 92531548 – Face Amount \$3,333,333 – Issued 7/19/1996



**Sokolow Trust**

- Policy No. 92469813 – Face Amount \$1,666,667 – Issued 3/22/1994
- Policy No. 92492268 – Face Amount \$1,666,667 – Issued 7/15/1994
- Policy No. 92498155 – Face Amount \$1,400,000 – Issued 2/15/1995
- Policy No. 92531550 – Face Amount \$3,333,333 – Issued 7/19/1996

8. Plaintiff Geraldo R. Lyons ("Lyons") is an elder as defined under California law who, at all times material hereto, was and is a citizen of the State of California residing within Orange County, California. On or about August 22, 1995, Transamerica Occidental, from its home office in Los Angeles, issued to Lyons, as the owner and the insured, an individual flexible premium life insurance policy insuring his life, which was later converted by him on or about June 22, 2001, to a TransUltra (XL) Life Insurance Policy (Policy No. 60079202 with a face amount of \$150,000.00). On or about June 23, 1996, Mr. Lyons purchased another TransUltra Life Insurance Policy (Policy No. 92531113) with a face amount of \$250,000. Both of these policies were subject to the MD Increases imposed by Transamerica beginning in August 2015. As a result of the MD Increase, Mr. Lyons surrendered his policies in June 2016.

9. Plaintiffs Donna M. White and Clarence E. White (collectively, "Whites") are wife and husband. Both are elders and were citizens of the State of California residing within Los Angeles County, California when they purchased their Transamerica Policies. Donna M. White and Clarence E. White currently reside in Saipan, Mariana Islands, United States Territory.

10. On or about May 12, 1980, Transamerica Occidental, from its home office in Los Angeles, issued to Clarence E. White as owner of an individual flexible premium life insurance policy insuring the life of his wife, Donna M. White, which was later converted by them on or about May 12, 1993, to a

1 TransUltra (SM) Life Insurance Policy (Policy No. 92448993) with a face amount  
2 of \$100,000.00.

3 11. On or about December 18, 1981, Transamerica Occidental, from its  
4 home office in Los Angeles, issued to Donna M. White, as owner of an individual  
5 flexible premium life insurance policy insuring the life of her husband Clarence E.  
6 White, that was subsequently converted on June 15, 1993 to a TransUltra (SM)  
7 Life Insurance Policy, (Policy No. 92449566), with a face amount of \$100,000.00.

8 12. On or about December 19, 1981, Transamerica Occidental, from its  
9 headquarters in Los Angeles, issued to Donna M. White, as owner, a flexible  
10 premium life insurance policy insuring the life of her son Jerry Dee Nelson, which  
11 was converted on or about July 9, 1993 to a Transamerica Preferred Policyholder,  
12 Life Insurance Policy (Policy No. 92451779), with a face amount of \$100,000.00.

13 13. The Whites resided in Los Angeles County, California when they  
14 purchased the Policies from Transamerica Occidental. They subsequently moved  
15 to Saipan, Mariana Islands, where they now live.

16 14. Plaintiff Lois Thompson is an elderly 88-year-old woman and resident  
17 of the State of California. Plaintiff Gail Thompson is the owner and beneficiary of  
18 a TransMax Survivor universal life insurance policy (Policy No. 92370232), which  
19 was issued on or about May 28, 1991 by Transamerica and has a current face value  
20 of \$500,000. The insured under this policy is her mother, Lois Thompson. Gail  
21 Thompson's policy remains in force with Transamerica and is subject to  
22 Transamerica's monthly deduction rate increase, which was announced on or  
23 around June 2015. Gail Thompson is a 66-year-old elderly woman and resident of  
24 the State of California. Because of health issues and her advanced age, Lois  
25 Thompson lives in an assisted living facility and is no longer able to make decisions  
26 regarding her financial obligations and well-being. Pursuant to the Durable Power  
27 of Attorney and Nomination of Conservator dated February 2, 2007, Gail  
28

1 Thompson was appointed as attorney in fact for Lois Thompson with authority,  
2 *inter alia*, to pursue litigation on behalf of Lois Thompson. Gail Thompson  
3 accordingly asserts and is pursuing Lois Thompson's claims against Transamerica  
4 in this litigation on behalf of Lois Thompson.

5 15. Plaintiff Eric Schneck is a citizen of the State of Florida and co-trustee  
6 of the Burton I. Schneck Irrevocable Life Insurance Trust dated 2/24/1997 (the  
7 "Schneck Trust"). Plaintiff Schneck has the authority to act on behalf of the  
8 Schneck Trust. The Schneck Trust is the owner and beneficiary of an adjustable  
9 universal life insurance policy (Policy No. 000060111963) issued by Transamerica  
10 Occidental on or about October 22, 2003 with a face amount of \$300,000, insuring  
11 the life of Burton I. Schneck.

12 16. Defendant Transamerica is a corporation organized under Iowa law,  
13 with its principal place of business located at 4333 Edgewood Road NE, Cedar  
14 Rapids, Iowa, 52499. Transamerica is a citizen of Iowa.

15 17. Transamerica Occidental was in 1989 and 1990 a corporation  
16 organized under California law, with its Home Office and principal place of  
17 business at 1150 S. Olive Street, Los Angeles, California, 90015.

18 18. On or about October 1, 2008, Transamerica Occidental was merged  
19 into Transamerica, making Transamerica its successor-in-interest. Transamerica  
20 Occidental and Transamerica are collectively referred to as "Transamerica."

21 **JURISDICTION AND VENUE**

22 19. This Court has jurisdiction over the parties to this action. The six  
23 named Plaintiffs are residents of California and New York. Transamerica transacts  
24 business in California, and thousands of Class Members are California residents.

25 20. Jurisdiction over Transamerica is also proper because it has registered  
26 with the California Secretary of State, purposely availed itself of the privilege of  
27 conducting business in California, and because it currently maintains systematic  
28

1 and continuous business contacts with this State.

2 21. Venue is proper in this District under 28 U.S.C. § 1391 because  
3 Transamerica maintains substantial operations in this District; thousands of Class  
4 Members either reside or did business with Transamerica in this District;  
5 Transamerica engaged in business in this District; a substantial part of the events  
6 or omissions giving rise to the claims at issue occurred in this District; and because  
7 Transamerica entered into transactions and received substantial profits from  
8 policyholders who reside in this District.

9 22. This Court has subject matter jurisdiction based on diversity of  
10 citizenship. Additionally, because this Consolidated Complaint alleges claims on  
11 behalf of a national class of policyholders who are minimally diverse from  
12 Transamerica, and because the aggregate of these claims exceed \$5,000,000, this  
13 Court has subject matter jurisdiction over this case under the Class Action Fairness  
14 Act, 28 U.S.C. § 1332(d)(2). Supplemental jurisdiction over Plaintiffs' state law  
15 claims is proper under 28 U.S.C. § 1367.

## 16 **FACTUAL ALLEGATIONS**<sup>2</sup>

### 17 **A. Background on Universal Life Policies**

18 23. Traditionally, life insurance companies sold two types of policies: term  
19 and whole life insurance. Term life insurance is issued for a term of years,  
20 normally building up no cash value and expiring without value. Whole life  
21 insurance provides coverage for life and provides an increasing cash value that is  
22

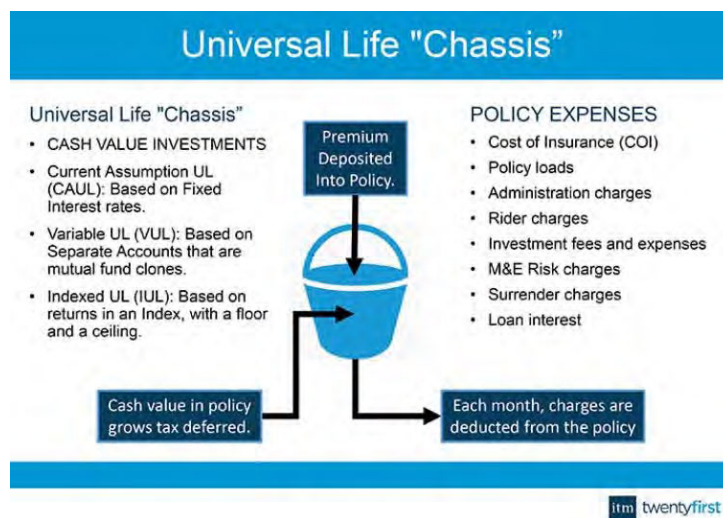
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23 <sup>2</sup> On November 8, 2016, the Court dismissed without prejudice certain claims  
24 "based on Transamerica's alleged consideration of its interest obligations in setting  
25 the MDR" where the Policies at issue contain "a provision expressly permitting  
26 Transamerica to consider 'mortality; expenses; interest; persistency; and any  
27 applicable federal state and local taxes.'" [Doc. 160 at 18] Plaintiffs reallege any  
28 claims and applicable factual allegations affected by the Court's order to preserve  
their appellate rights. *Lacey v. Maricopa County*, 693 F.3d 896, 928 (9th Cir. 2012).

available when needed. The premiums remain the same throughout the life of the policy.

24. Universal life insurance provides more flexibility than whole or term life insurance. Premium payments, which are variable, are deposited in an accumulation account from which monthly cost of insurance and expense charges are deducted. The accumulation account is credited with monthly interest at a non-guaranteed declared rate, but not less than the guaranteed interest rate specified in the policy contract. Universal life insurance policies allow policyholders to modify the amount and frequency of premium payments as long as their policy contains sufficient cash value to cover monthly deductions.<sup>3</sup>

25. A graphic depicting a universal life insurance “chassis”<sup>4</sup> is set forth below:



<sup>3</sup> *Universal Life Insurance*, TRANSAMERICA, <https://www.transamerica.com/individual/products/insurance/universal-life/> (last visited on June 10, 2016).

<sup>4</sup> *Transamerica Cost Increase Causes Premium to Maturity to More Than Double: A Case Study for Trustees*, ITM TWENTYFIRST, <http://blog.itm21st.com/2015/09/09/transamerica-cost-increase-causes-premium-to-maturity-to-jump-over-200-a-case-study-for-toli-trustees/> (last visited on June 10, 2016).

1           26. Transamerica's Policies use the term "Monthly Deductions" to refer to  
2 the Cost of Insurance ("COI") charge. This charge is important to universal life  
3 policyholders for at least two reasons: (1) the COI charge is typically the highest  
4 expense that a policyholder pays; and (2) the COI charge is deducted from the  
5 accumulation account (i.e., the savings component) of the policy, so the  
6 policyholder forfeits the COI charge entirely to Transamerica.

7           **B. The Standardized Policy Terms**

8           27. Plaintiffs bring this class action on behalf of themselves and other  
9 owners and former owners of certain universal life insurance policies issued and  
10 administered by Transamerica.<sup>5</sup> The Policies use standardized, materially uniform  
11 language with respect to the policy provisions at issue in this action.

12           28. Under the uniform provisions of the Policies, an "accumulation  
13 account" is established for each Policy, into which the Policyholder's premium  
14 payment(s) are deposited. The accumulation account earns interest at a declared  
15 interest rate not less than the guaranteed interest rate specified in the Policy. Certain  
16 of the Policies provide that Transamerica will pay guaranteed interest at the rate of  
17 4%, and that the accumulation value on any policy anniversary will never be less  
18 than as if 5.5% interest was credited annually from the issue date. Other policies  
19 contain similar interest rate guarantees.

20           29. At the end of each policy month, Transamerica withdraws a Monthly  
21 Deduction from the Policy's accumulation account. The Monthly Deduction is  
22 equal to the following: (a) the application of a "Monthly Deduction Rate" to the  
23 difference between the death benefit and the accumulation value at the beginning

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24  
25 <sup>5</sup> The Policies include the so-called "TransMax" and "TransUltra" policies issued  
26 to the Plaintiffs, as well as all other policies issued by Transamerica that share  
27 comparable terms and for which Transamerica has unilaterally increased monthly  
28 deductions since August 1, 2015. Specimen copies of the standardized Policy  
contracts are attached as Exhibit A.



1 of the year; (b) the monthly deduction for any policy riders; and (c) a policy fee.

2 30. The Monthly Deduction Rate is by far the most important component  
3 of the Monthly Deduction charge. Even small changes in the Monthly Deduction  
4 Rate can produce a dramatic increase in the dollar amount of the Monthly  
5 Deduction charged by Transamerica, particularly for elderly insureds. The higher  
6 the Monthly Deduction Rate, the greater the premiums required to maintain a  
7 positive balance in the accumulation account and avoid a lapse of the policy.

8 31. Under the Policies, Transamerica determines the Monthly Deduction  
9 Rates for each policy year at the beginning of the year, using the insured's age as  
10 of that policy year. The guaranteed Monthly Deduction Rate for non-smokers is  
11 premised on a COI portion or component, which is in turn based on projections of  
12 life span established by the 1980 CSO Mortality Tables. The guaranteed Monthly  
13 Deduction Rate for smokers is premised on the same COI rates, plus an added  
14 "expense" portion or component.

15 32. Under the Policies, Transamerica's discretion to set or increase the  
16 Monthly Deduction Rates is therefore constrained by the Tables of Guaranteed  
17 Monthly Deduction Rates and the attained age of the insured under the Policy.

18 33. Furthermore, the Policies do not expressly authorize Transamerica to  
19 do any of the following:

- 20 • Set or increase the Monthly Deduction Rates in whatever amount or by  
21 whatever method it determines;
- 22 • Set or increase Monthly Deduction Rates to recoup past losses, including  
23 past losses on the Policies based on changes in interest rates, policy lapse  
24 rates or other experience factors;
- 25 • Set or increase Monthly Deduction Rates to recoup losses due to  
26 diminished returns on Transamerica's general investment portfolio; and  
27  
28



- Set or increase Monthly Deduction Rates in order to negate or offset Transamerica's obligation to pay credited interest to the Policies at the minimum guaranteed rates.

34. A reasonable Policyholder would construe the standardized Policy language to mean that the Monthly Deduction Rate, which is premised on the purported COI and the 1980 CSO Mortality Tables, would not change except for a verifiable, material adverse change in the underlying mortality rates used to price the Policies. As reflected in every subsequent version of the CSO Mortality Tables, mortality rates have only improved in the years since the Policies were issued from 1987 and 1998.

35. A reasonable Policyholder would also construe (1) the Policies' provisions governing the payment of guaranteed interest on the accumulation account, and (2) the Policies' provisions governing the Monthly Deduction based on Transamerica's COI, as operating independently of one another, thereby precluding Transamerica from offsetting or subsidizing its interest obligations through increases in the Monthly Deduction Rate.

36. In the alternative, the Policies are at a minimum ambiguous with respect to whether Transamerica can increase the Monthly Deduction for any reason other than an adverse change in the pricing mortality rates. As a result, any ambiguity in this respect must be construed against Transamerica and in favor of the Policyholder.

### **C. Transamerica's Massive Monthly Deduction Rate Increase**

37. On June 8, 2015, Transamerica suddenly announced the MD Increase, stating that it was going to unilaterally increase the Monthly Deduction charges under the Policies by as much as 100% based on a massive increase in the Monthly Deduction Rate.

38. Transamerica notified Policyholders of the MD Increase through a

1 uniform form letter. (*See* Exhibit B). In the letter, Transamerica purported to  
2 explain “What’s Changing and Why.” To make it look like the MD Increase is  
3 permitted under the Policies and to create the appearance that it was acting based  
4 on the limited grounds authorized by the Policies, Transamerica said it was  
5 increasing the Monthly Deduction Rates “based on our current expectations  
6 regarding future costs of providing . . . coverage [for the Policies].”

7 39. Transamerica thus acknowledged the limited grounds upon which the  
8 Policies permit a MD Increase, and represented that the MD Increase was premised  
9 on an adverse change in the COI portion of the Monthly Deduction Rate.

10 40. Transamerica did not give any other explanation for the MD Increase  
11 in the notice letter, and certainly did not suggest it had the unfettered discretion to  
12 increase the Monthly Deduction Rate by whatever amount or method it chose.

13 41. Transamerica began imposing the MD Increase on Policies with an  
14 anniversary date of August 1, 2015, resulting in an astronomical increase in the  
15 premiums necessary to maintain coverage under the Policies.

16 42. Pursuant to the MD Increase, Transamerica has increased the amount  
17 taken from Plaintiffs’ and the putative Class members’ accumulation accounts upon  
18 their respective Policy’s anniversary dates. For example, beginning September 13,  
19 2015, the Fellers suffered an approximately 38% increase in their Monthly  
20 Deduction Rates, raising the Monthly Deduction from approximately \$1,500 to  
21 more than \$2,000 in order to maintain the same death benefit for their Policy.  
22 Transamerica increased Thompson’s Monthly Deduction by 21%, beginning in  
23 May 2016. As a further example, Transamerica imposed an increase of  
24 approximately 100% upon Lyons commencing June 22, 2016. Similarly,  
25 Transamerica increased the monthly deduction of the Schneck Trust by 100%,  
26 beginning in October 2016.

27 43. Plaintiffs and Class Members are now required to pay much higher  
28

1 Monthly Deductions to maintain the same level of coverage under the Policies,  
2 such that their Policies will become cost-prohibitive if the MD Increase is not  
3 enjoined. Unless stopped, Transamerica will induce policyholders to surrender  
4 their Policies for the current cash value. These widespread terminations – known  
5 as “shock lapses” – will in turn benefit Transamerica because it will not have to  
6 pay out the death benefits on Policies for which Plaintiffs and Class Members have  
7 duly paid the premiums for decades.

8 **D. The True Reasons for the MD Rate Increase**

9 44. The sudden and dramatic MD Increase is not truly based on adverse  
10 changes in the “cost of providing coverage” as Transamerica represented in its  
11 notice letter to the Policyholders, but rather on Transamerica’s desire to avoid its  
12 contractual obligation to meet the high interest crediting rates it promised under  
13 the Policies and to recoup past losses, including the cost of paying out the  
14 guaranteed interest rates.

15 **1. The Genesis of Transamerica’s Self-Inflicted Losses**

16 45. As alleged above, over the last 20 to 30 years, Transamerica has  
17 collected premiums from policyholders premised on Monthly Deduction Rates  
18 expressly tied to mortality-based cost of insurance charges. Transamerica now  
19 seeks to impose the draconian MD Increase to impermissibly recoup past and  
20 emerging losses even though mortality has only *improved* over the years.

21 46. Insurance carriers must reserve assets for the payment liabilities on the  
22 policies they issue. Typically, as much as 80% of an insurance carrier’s assets are  
23 held in corporate bonds which support the reserves required to back its contractual  
24 obligations to policyholders. At the time the Policies were issued, interest rates  
25 were at historically high levels. As interest rates started to trend downwards  
26 beginning in the early 2000s, the bonds acquired by Transamerica in earlier years  
27 increased in value. However, Transamerica could not sell the bonds supporting its  
28

1 policy reserves and realize the associated gains unless the underlying policy  
2 liabilities were released, which occurs when policies are surrendered or lapse.  
3 Transamerica's reserves included those backing the Policies, thereby ensuring that  
4 Transamerica has sufficient future profits to pay its obligations to Plaintiffs and the  
5 Class Members as those obligations become due.

6 47. Transamerica's ultimate parent is AEGON NV ("AEGON") a publicly  
7 traded Netherlands-based corporation. Because the Policies and other interest-  
8 sensitive insurance products sold by Transamerica were not lapsing quickly  
9 enough to allow the company to release reserves and free up enough capital to  
10 satisfy AEGON's demand for cash-flows, Transamerica engineered a series of  
11 captive reinsurance transactions premised on representations to regulators and the  
12 public that it was holding reserves that were more than sufficient to cover its  
13 liabilities, including its obligations under the Policies, based on existing and  
14 anticipated future Monthly Deduction charges and related expenses. Through such  
15 "shadow insurance" transactions, Transamerica purported to transfer the risks  
16 associated with the Policies and other interest-sensitive products to wholly owned  
17 captive reinsurance affiliates, thereby claiming a "reserve credit" allowing the  
18 company to release the purportedly redundant reserves into its reported surplus,  
19 which it then used to pay dividends to AEGON.

20 48. For example, in 2010, Transamerica reported that it had taken reserve  
21 credits as a result of reinsurance transactions with affiliated reinsurance companies  
22 totalling approximately \$30 billion. Transamerica purported to justify these  
23 transactions based on its assertion that that Transamerica had ample remaining  
24 reserves to cover its liabilities, including its obligations under the Policies. In 2010  
25 alone, Transamerica and other affiliated insurance operating companies  
26 upstreamed dividends to AEGON totalling \$2.3 billion.

27 49. By releasing the reserves through captive reinsurance transactions in  
28

1 order to upstream billions of dollars to its parent, Transamerica weakened its policy  
2 reserves, diverted its cash flows to pay parental dividends and depleted its capital,  
3 thereby self-inflicting near-term losses that it would later seek to recoup through  
4 the MD Increase. By depleting its capital surplus to benefit its foreign parent at the  
5 expense of its policyholders, Transamerica knowingly increased the potential  
6 adverse impact of losses stemming from the Policies' high interest rate guarantees  
7 and other financial reversals. Even though Transamerica assumed those risks by  
8 entering into the Policy contracts containing high guaranteed interest rates and  
9 provisions prohibiting Transamerica from recouping losses through Monthly  
10 Deduction increases, Transamerica nevertheless imposed the MD Increase in  
11 contravention of its contractual obligations to the policyholders.

12 **2. Transamerica Imposes the MD Increase to Recoup Losses**  
13 **Resulting from its Captive Reinsurance Transactions and**  
14 **the Great Recession**

15 50. As alleged above, interest rates have declined over the last 15 years,  
16 falling to historic lows in the wake of the Great Recession. Although these steadily  
17 declining interest rates, which fell sharply during the Great Recession, have  
18 adversely impacted insurers generally, they have had extremely adverse  
19 consequences for the profitability of products, like the Policies issued by  
20 Transamerica, which have high guaranteed interest rates.

21 51. In the late 1980s, when many of the Policies were issued, the 10-year  
22 Treasury rate was around 9%. Throughout the 1990s the 10-year Treasury moved  
23 steadily downward, remaining at or above 5% until the post-2001 recession period  
24 when it pierced the 4% level for some months. Between 2003 and 2008 it  
25 fluctuated generally between 4% and 5%. Since mid-2008, however, the 10-year  
26 Treasury has been under 4%, hitting a low of 1.65% in 2012.

27 52. In April 2012, the Center for Insurance Policy & Research ("CIPR")  
28 branch of the National Association of Insurance Commissioners published a report

describing the effect on insurers of what was, even then, a prolonged period of low level interest rates. (*See* Exhibit C.) The CIPR Report warned:

Life insurance companies face considerable interest rate risk given their investments in fixed-income securities and their unique liabilities. For life insurance companies, their assets and liabilities are heavily exposed to interest rate movements. Interest rate risk can materialize in various ways, impacting life insurers' earnings, capital and reserves, liquidity and competitiveness. Moreover, the impact of a low interest rate environment depends on the level and type of guarantees offered. Much of the business currently on life insurers' books could be vulnerable to a sustained low interest rate environment ....

Life insurers typically derive their profits from the spread between their portfolio earnings and what they credit as interest on insurance policies. During times of persistent low interest rates, life insurers' income from investments might be insufficient to meet contractually guaranteed obligations to policyholders which cannot be lowered. \*\*\*

In a low interest rate environment, it is challenging to find relatively low-risk, high-yield, long-duration assets to match annuities that guarantee a minimum annual return (e.g., 4%). For many policies, low interest rates mean that some mismatch with assets is likely. For example, older fixed income insurance products that guarantee rates of around 6%—closely matching or conceivably even surpassing current investment portfolio yields—are likely to put a strain on life insurers as a result of spread compression or possibly negative interest margins.

CIPR Report, at 2-3.

53. The low interest rate environment has persisted since 2012, exacerbating the spread compression and thus, as explained by the CIPR, undermined the profitability of policies with “guarantee rates around 6%.”

54. A recent report by actuary and Consumer Federation of America's James H. Hunt described how today's “climate of low interest rates” would impact

1 insurers.<sup>6</sup> For more than 30 years Hunt has evaluated life insurance policies. His  
2 report prophetically warned:

3 While there has been occasional COI increases in the past, and there  
4 has been litigation on the issue, CFA is concerned that the actions  
5 taken may spread throughout the life insurance business . . . . We are  
6 concerned that COI rate increases will, in effect, void the interest rate  
7 guarantees in affected contracts The question is: Are these insurers in  
8 a climate of low interest rates using COI increases to maintain profits  
9 when the interest rates they have been crediting to cash values have  
10 been reduced to the contractually guaranteed rates, often 4%,  
11 sometimes higher?

12 *Id.* at 1.

13 55. As Hunt predicted, the low interest rate environment undermined the  
14 profitability of policies with guaranteed rates at 4% or more, and in turn  
15 Transamerica is “using COI increases to maintain profits.”

16 56. In fact, Transamerica’s investment returns have been very low since  
17 2007, and are nowhere near the returns needed to support continued interest credit  
18 to the policies’ cash values at the guaranteed 4% rate. Through the MD Increase,  
19 Transamerica is seeking to offset or subsidize its credited interest guarantees  
20 through dramatic increases in the charges taken from the policyholders’ cash value.  
21 Transamerica also is seeking to recoup past losses through the MD Increase.

22 57. In short, through the sudden and massive MD Increase, Transamerica  
23 is attempting to avoid its obligation to credit the guaranteed interest rates under the  
24 policies by impermissibly recouping its past losses — thereby denying  
25 policyholders their contractual benefits under the policies. Through the MD  
26 Increase, Transamerica is attempting to offset or subsidize its credited interest

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27 <sup>6</sup> See *Life Insurance Regulators Should Block Cost of Insurance Rate Increases*  
28 *When Used to Avoid Guaranteed Interest Rates in Universal Life Policies*, James  
Hunt, found at [http://www.consumerfed.org/pdfs/160121\\_CFACOs\\_report.pdf](http://www.consumerfed.org/pdfs/160121_CFACOs_report.pdf).  
(Last checked June 10, 2016).



1 guarantees

2 58. For the foregoing reasons, Transamerica's stated reason in its notice  
3 letters for the MD Increase was false. As one industry commentator has put it,  
4 Transamerica is "trying to claim that mortality charges are the culprit even though  
5 you would have to be snoozing pretty heavily not to know that people are living  
6 way longer than they were 15 to 20 years ago."<sup>7</sup>

7 59. Because non-guaranteed elements such as the Monthly Deduction  
8 Rate are required to reflect expectations of *future* experience, Transamerica is  
9 precluded from re-determining those elements to recoup past losses, including past  
10 losses attributable to the Policies. The Policies contain contractual provisions  
11 prohibiting Transamerica from increasing the Monthly Deductions to recoup past  
12 losses. Additionally, any attempt to do so would violate the actuarial standards of  
13 practice, the code of professional ethics, and regulatory constraints.

14 **3. The MD Increase is Not Justified by Adverse Anticipated**  
15 **Experience Factors Relating to the Cost of Insurance**

16 60. The MD Increase is not justified by adverse mortality or any other  
17 deterioration in anticipated experience factors relating to the cost of insurance,  
18 which is the only permissible basis for changes in the Monthly Deduction Rates  
19 under the Policies. The Monthly Deduction Rate, which Transamerica has set at a  
20 level less than the Guaranteed Monthly Deduction Rate, is considered a  
21 "nonguaranteed element" of the Policy. Insurance companies and their actuaries are  
22 required to file with their state regulators answers to interrogatories every year as  
23 to whether their "anticipated experience factors underlying any nonguaranteed  
24 elements [are] different from current experience."

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25  
26 <sup>7</sup> Ed Hinerman, *Transamerica Life Drops a Big One in the Punch Bowl!*, Hinerman  
27 Group, [http://www.hinermangroup.com/blog/insurance/transamerica-life-drops-a-](http://www.hinermangroup.com/blog/insurance/transamerica-life-drops-a-big-one-in-the-punch-bowl)  
28 [big-one-in-the-punch-bowl](http://www.hinermangroup.com/blog/insurance/transamerica-life-drops-a-big-one-in-the-punch-bowl) (last checked June 10, 2016).

1           61. In Transamerica's Statement of Nonguaranteed Elements, as recently  
2 December 31, 2014, Transamerica expressed no indication of any need to increase  
3 the Monthly Deduction Rates due to any adverse change in mortality rates or any  
4 other anticipated experience factors. (*See* Exhibit D.)

5           62. Indeed, for each of the past four years, Transamerica consistently  
6 reported to regulators that the anticipated experience factors underlying its  
7 nonguaranteed elements were no different from current experience. (*See* Statement  
8 of Nonguaranteed Elements as of December 31, 2013 (attached as Exhibit E);  
9 Statement of Nonguaranteed Elements as of December 31, 2012 (attached as  
10 Exhibit F); Statement of Nonguaranteed Elements as of December 31, 2011  
11 (attached as Exhibit G).

12           63. Tellingly, Transamerica qualified its Statement of Nonguaranteed  
13 Elements to "include[] only those elements over which the company ... may by  
14 policy provisions exercise some current or future level of discretionary control,"  
15 while excluding from its statement "interest sensitive ... contracts [that] contain  
16 minimum interest rate ... guarantees ... which the company must, as a matter of  
17 contract law, not violate." *Id.* Transamerica also disclaimed any ability to predict  
18 anticipated investment experience. By doing so, Transamerica avoided disclosing  
19 that the high interest rates guaranteed in the Policies were not supported by current  
20 experience and, in fact, had contributed to losses that Transamerica improperly now  
21 seeks to recoup through the MD Increase.

22           64. Insurance company actuaries are required to closely monitor and report  
23 on COI trends affecting non-guaranteed elements of its insurance policies. Material  
24 deviations between current and expected future expectations as to COI do not occur  
25 overnight; they are gradual trends for which actuaries can and do make incremental  
26 adjustments. As a consequence, it is inconceivable that the MD Increase (as high as  
27 100%) is attributable to changes in current or anticipated experience factors relating  
28

1 to the cost of providing insurance that emerged in a single year during 2015.

2 **4. Transamerica Seeks to Inflict Massive Shock Lapses**  
3 **Through the MD Increase**

4 65. As alleged above, Transamerica has saddled Plaintiffs and other Class  
5 Members with the onerous MD Increase not because of any adverse mortality  
6 experience or other legitimate COI factors but, instead, to defray its contractual  
7 obligations to pay guaranteed interest under the Policies and to recoup losses  
8 stemming from Transamerica's own actions—i.e. arranging captive reinsurance  
9 transactions to release policy reserves for the purpose of upstreaming billions of  
10 dollars in dividends to AEGON. In an unconscionable disregard of the rights and  
11 interests of its—mostly elderly—policyholders, Transamerica effectively  
12 plundered the policy reserves established to protect those policyholders, only to  
13 turn around and demand that the policyholders themselves restore the profitability  
14 of the Policies to Transamerica by paying increased Monthly Deductions.

15 66. Transamerica's true motive behind the MD Increase -- to benefit its  
16 ultimate parent, AEGON, at the expense of its policyholders—is further reflected  
17 in the timing of the MD Increase. As a Netherlands-based holding company,  
18 AEGON is subject to the capital adequacy requirements of the European Union,  
19 known as "Solvency II". On Friday, June 12, 2015, the European Commission  
20 issued a decision permitting AEGON and other European based insurance  
21 companies to include the capital of their foreign subsidiaries in determining their  
22 own risk-based capital under the operative capital adequacy requirements. This  
23 decision thus allowed AEGON to include the earnings and capital of Transamerica  
24 to satisfy its own risk-based capital requirements. Transamerica announced the  
25 MD Increase on Monday, June 15, 2015, the very next business day after the  
26 European Commission's decision.

27 67. The MD Increase, which was implemented to recoup Transamerica's  
28

1 past losses and increase its overall profitability, was therefore calculated to benefit  
2 AEGON by allowing AEGON to include the resulting profits in order to help  
3 satisfy its own minimum risk-based capital requirements under the European  
4 Union capital adequacy regime. Indeed, according to an equity research report by  
5 RBC Capital Markets dated August 18, 2015, AEGON is now entirely dependent  
6 on the cash flow generated by Transamerica (including the cash flows resulting  
7 from the MD Increase) to cover AEGON's dividends and expenses. Furthermore,  
8 AEGON's ability to continue dividends at their current level would be jeopardized  
9 if Transamerica were required to re-establish the reserves that were released as part  
10 of the captive reinsurance transactions described in Paragraphs 46-49 above. *See*  
11 attached Exhibit H.

12 68. Unless enjoined, the MD Increase virtually assures that Transamerica  
13 will achieve its goal of recouping past losses to make the Policies collectively more  
14 profitable. To the extent policyholders agree to pay the increased charges resulting  
15 from the MD Increase, Transamerica will avoid its losses and reap profits. To the  
16 extent policyholders decide or are forced to surrender their Policies as a result of  
17 the MD Increase, Transamerica will wipe the unprofitable Policies from its books.  
18 Transamerica knows, and fully expects, that the massive MD Increase will cause  
19 thousands of Class Members to surrender their Policies and cause thousands of  
20 other Policies to lapse as the increased Monthly Deduction charges exhaust the  
21 funds in the Policies' accumulation accounts. Indeed, Transamerica has acted  
22 intentionally to provoke Policy surrenders in an effort to wipe from its books life  
23 insurance policies that Transamerica has by its own conduct rendered unprofitable.

24 69. The likelihood of a surrender or lapse increases dramatically when  
25 there is an increase in Monthly Deduction Rates, and the policyholder must decide  
26 whether he or she can afford to maintain the policy, especially when the  
27 information supplied to the policyholder is deliberately designed to provoke  
28

1 surrender or lapse.

2 70. Transamerica has actively sought to encourage and provoke Plaintiffs  
3 and Class Members to terminate their Policies or reduce the face amount of  
4 coverage enough to allow Transamerica to collect the increased monthly deduction  
5 charges. In its form letters announcing the MD Increase, Transamerica suggested  
6 as the first option that policyholders “may choose to surrender your policy for the  
7 cash value...You can take this in cash or you may be able to exchange it for another  
8 life insurance policy that accumulates cash value.” Exhibit B. Transamerica also  
9 suggested an alternative “Reduced Face Amount Option,” which would drastically  
10 reduce the insurance coverage while still allowing Transamerica to pocket the  
11 increased Monthly Deductions as long as the Policy remained in force. *Id.*

12 71. Transamerica also has created obstacles that preclude policyholders  
13 from obtaining the information they need to evaluate their options. For instance,  
14 Transamerica systematically directs policyholders to speak with its “customer  
15 service” representatives or its “Product Specialist Team” to obtain information and  
16 answers to questions about the MD Increase. Policyholders often must make  
17 multiple calls or remain on hold for extended periods of time to ring through to the  
18 Transamerica representatives. Moreover, the center is staffed by representatives  
19 who lack sufficient training or information to provide meaningful guidance to  
20 policyholders. Policyholders are often given confusing or conflicting answers to  
21 their questions, or presented with alarming doomsday scenarios intended to  
22 encourage surrenders or lapses.

23 72. In addition, Transamerica is now refusing to provide policyholders  
24 with illustrations showing how their Policies will perform as a result of the MD  
25 Increase. Instead, Transamerica will now only provide policy illustrations  
26 depicting how the Policies would perform if the Monthly Deduction Rates were  
27 raised to a level even higher than the rates imposed by the MD Increase. These  
28

1 illustrations depict the most pessimistic scenario possible, suggesting showing —  
2 that the Policies will terminate far sooner than they will as a result of the MD  
3 Increase would be the case under current assumptions. By doing so, Transamerica  
4 hopes to induce elderly policyholders to surrender their Policies.

5 **5. Transamerica’s Unconscionable Conduct Must Be**  
6 **Enjoined**

7 73. In short, through the sudden and massive MD Increase, Transamerica  
8 is attempting to avoid its obligation to credit the guaranteed interest rates under the  
9 Policies, recoup past losses, and shed the Policies by making the premiums to  
10 maintain them cost-prohibitive for Policyholders, thereby frustrating  
11 Policyholders’ ability to receive their contractual benefits under the Policies.

12 74. The Class Members hardest hit by Transamerica’s unconscionable  
13 business practice are elderly Policyholders who have dutifully paid premiums for  
14 20 years or more based on the expectation that in their twilight years the Policies  
15 would provide protection for their families. Due to age-related underwriting  
16 considerations, life insurance protection for these elderly policyholders is now  
17 either unavailable or prohibitively expensive. Compounding this situation is the  
18 fact that these policies do not contain an “extension of maturity option” which  
19 would provide coverage past age 100. Therefore, it is possible that the insured may  
20 outlive the policy and will have paid increased premiums without a way to recover  
21 the additional costs. Transamerica’s actions have thus stripped Plaintiffs and the  
22 Class of any future life insurance protection.

23 75. Transamerica’s attempt to deprive Plaintiffs and Class Members of the  
24 primary benefit of their Policies—paid for through years of contributions to the  
25 accumulation account—violates Transamerica’s express and implied obligations  
26 under the Policies, constitutes “unlawful” and “unfair” conduct under the UCL,  
27 and statutory elder abuse in the case of Thompson, Lyons and other Policyholders  
28

1 aged 65 years or older.

2 76. The vast majority of Transamerica policyholders affected by this  
3 increased COI are elderly; many are now in their mid-to-late 80s and 90s and  
4 purchased a policy in the 1990s when they were in their 60s or 70s. These  
5 policyholders have faithfully paid the scheduled premiums for years and have  
6 accumulated significant cash value in the policies. Due to their advanced age, these  
7 individuals cannot obtain alternative life insurance coverage and will lose the cash  
8 value of the policy if they cannot pay the increased costs to maintain the policy.

9 77. Transamerica for many years and as recently as late 2015, supplied  
10 policyholders with illustrations and other information using existing COI rates that  
11 provided no hint of any impending change in those rates. Current policyholders  
12 thus had no way of knowing or expecting that this dramatic increase in the Monthly  
13 Deduction Rates would happen after almost twenty years of stable premiums.

14 78. These elderly policyholders, who are effectively uninsurable due to  
15 their advanced ages, face the prospect of: (1) surrendering their policies and losing  
16 their death benefits at an age when purchasing other life insurance coverage is  
17 practically impossible; (2) permitting Transamerica to deplete their policy values  
18 through its “cost of insurance” increases until there is nothing left and the policy  
19 “shock lapses”; (3) paying vastly increased premiums with no assurance the cost  
20 of insurance will not continue to increase; or (4) accepting cuts in death benefits.

21 79. As a result of Transamerica’s actions, thousands of class members are  
22 faced with the difficult decision of either paying the exorbitant and unjustified new  
23 charges, or forever forgoing the life insurance benefits for which they have  
24 dutifully paid premiums for many years.

25 80. Plaintiffs therefore seek immediate preliminary injunctive and  
26 equitable relief to preserve the status quo *pendente lite* by enjoining the MD  
27 Increase. Unless Transamerica is enjoined, Policyholders will be irreparably  
28



1 damaged and Transamerica will succeed with its plan to cause mass cancellations  
2 of the Policies—leaving tens of thousands of Policyholders without coverage based  
3 on an unlawful, unfair and abusive MD Increase. Plaintiffs also seek permanent  
4 declaratory and injunctive relief requiring Transamerica to (i) reverse the unlawful  
5 increase in Monthly Deductions charged on the Policies, and (ii) reinstate all  
6 Policies that were surrendered or lapsed as a result of the MD Increase. Plaintiffs  
7 also seek ancillary damages flowing directly from Transamerica’s unlawful  
8 conduct.

9 **CLASS ACTION ALLEGATIONS**

10 81. This action is brought by Plaintiffs individually and on behalf of the  
11 five subclasses described below (the “Classes”) pursuant to Rule 23, subdivisions  
12 (a), (b)(2) and (b)(3) of the Federal Rules of Civil Procedure.

13 82. Plaintiffs seek certification of the following subclasses:

14 a. **California Subclass I: Current Policyholders**

15 All California residents who own an in-force Policy for which  
16 the Monthly Deduction increase imposed by Transamerica  
17 beginning August 1, 2015, has resulted or will result in higher  
18 Monthly Deduction charges than those applicable under the rate  
19 schedule in effect before that date.

20 b. **California Subclass II: Surrendered Policyholders**

21 All California residents who previously owned and seek to  
22 reinstate a Policy: (i) for which the Monthly Deduction increase  
23 imposed by Transamerica beginning August 1, 2015, resulted or  
24 threatened to result in higher Monthly Deduction charges than  
25 those applicable under the rate schedule in effect before that  
26 date; and (ii) that terminated after that date.

27 c. **California Subclass III: Senior Policyholders**

28 All California residents who were 65 years old or older and  
owned a Policy for which the Monthly Deduction increase  
imposed by Transamerica beginning August 1, 2015, has  
resulted or will result in higher Monthly Deduction charges

1 than those applicable under the rate schedule in effect before  
2 that date.

3 **d. National Subclass I: Current Policyholders**

4 All persons, other than California residents, who own a Policy  
5 for which the Monthly Deduction increase imposed by  
6 Transamerica beginning August 1, 2015, has resulted or will  
7 result in higher Monthly Deduction charges than those  
8 applicable under the rate schedule in effect before that date.

9 **e. National Subclass II: Surrendered Policyholders**

10 All persons, other than California residents, who previously  
11 owned and seek to reinstate a Policy: (i) for which the Monthly  
12 Deduction increase imposed by Transamerica beginning August  
13 1, 2015, resulted or threatened to result in higher Monthly  
14 Deduction charges than those applicable under the rate schedule  
15 in effect before that date; and (ii) that terminated after that date.

16 83. There are thousands of members of each of the Subclasses described  
17 in the foregoing paragraph. Accordingly, the Class consists of thousands of  
18 Transamerica policyholders and is thus so numerous that joinder of all members is  
19 impracticable. The identities and addresses of the members of these Subclasses  
20 can be readily ascertained from business records maintained by Transamerica.

21 84. The claims asserted by Plaintiffs are typical of the claims of the Class  
22 Members.

23 85. Plaintiffs are willing and prepared to serve the Court and the proposed  
24 Class in a representative capacity. Plaintiffs will fairly and adequately protect the  
25 interests of the Class and have no interests that are adverse to, or which materially  
26 and irreconcilably conflict with, the interests of the other members of the Class.

27 86. The self-interests of Plaintiffs are co-extensive with and not  
28 antagonistic to those of absent Class members. Plaintiffs will undertake to  
represent and protect the interests of absent Class members.

87. Plaintiffs have engaged the services of counsel indicated below who  
are experienced in complex class litigation and life insurance matters, will

adequately prosecute this action, and will assert and protect the rights of and otherwise represent Plaintiffs and the putative Class members.

**A. Rule 23 (b)(2)**

88. This action is appropriate as a class action pursuant to Rule 23 (b)(2). Plaintiffs seek injunctive relief and corresponding declaratory relief for each of the Classes. Transamerica has acted in a manner generally applicable to each member of the Classes by imposing the MD Rate Increase on all Policies owned by Class members.

89. Transamerica's unlawful MD Increase, if not enjoined, will subject Plaintiffs and Class Members to enormous continuing future harm and will cause irreparable injuries to such Policyholders, who are compelled to surrender valuable life insurance policies with no economically viable option for alternative life insurance. The adverse financial impact of Transamerica's unlawful actions is continuing and, unless preliminarily and permanently enjoined, will continue to irreparably injure Plaintiffs and Class Members.

**B. Rule 23 (b)(3)**

90. This action is also appropriate as a class action pursuant to Federal Rule of Civil Procedure 23 (b)(3).

91. Common questions of law and fact predominate over any individualized questions. Common legal and factual questions include the following:

- a. Whether Transamerica's large and sudden increase in the s Monthly Deduction Rates is authorized under the terms of the Policies;
- b. Whether Transamerica breached its contractual obligations owed to Plaintiffs and Class Members;
- c. Whether Transamerica breached its implied duty of good faith and fair dealing owed to Plaintiffs and Class Members;

- d. Whether Transamerica has engaged in unfair or unlawful business practices in its dealings with Plaintiffs and Class Members;
- e. Whether Transamerica has engaged in the financial abuse of elders within the meaning of California's Elder Abuse Statute;
- f. Whether Plaintiffs and Class Members have been damaged, and if so, are eligible for and entitled to compensatory and punitive damages;
- g. Whether Plaintiffs and Class Members are entitled to declaratory relief; and
- h. Whether Plaintiffs and Class Members are entitled to preliminary and permanent injunctive relief, or other equitable relief, against Transamerica.

92. A class action is superior to other available methods for the fair and efficient adjudication of this controversy, for the following reasons:

- a. Given the age of Class Members, many of whom are elderly and have limited resources, the complexity of the issues involved in this action and the expense of litigating the claims, few, if any, Class Members could afford to seek legal redress individually for the wrongs that Transamerica has committed against them, and absent Class Members have no substantial interest in individually controlling the prosecution of individual actions;
- b. Once Transamerica's liability has been adjudicated respecting the Monthly Deduction Rate Increase, claims of all Class Members can be determined by the Court;
- c. This action will ensure an orderly and expeditious administration of the Class's claims and foster economies of time, effort, and expense, and ensure uniformity of decisions and compliance by Transamerica with the Policies;
- d. Without a class action, many Class Members would continue to suffer injury, and Transamerica's violations of law will continue without redress while it continues to reap and retain the substantial proceeds and reductions in its future liabilities

1 derived from its wrongful conduct; and

2 e. This action does not present any undue difficulties that would  
3 impede its management by the Court as a class action.

4 93. A class action is superior to other available means for the fair and  
5 efficient adjudication of this controversy. The injuries suffered by individual Class  
6 Members are, though important to them, relatively small compared to the burden  
7 and expense of individual prosecution needed to address Transamerica's conduct.  
8 Individualized litigation presents a potential for inconsistent or contradictory  
9 judgments. In contrast, a class action presents far fewer management difficulties;  
10 allows the hearing of claims that might otherwise go unaddressed; and provides  
11 the benefits of single adjudication, economies of scale, and comprehensive  
12 supervision by a single court.

13 **FIRST CAUSE OF ACTION**

14 *(Breach of Contract – All Plaintiffs on behalf of the National Classes and the*  
15 *Feller, Thompson and Lyons Plaintiffs on behalf of the California Subclasses)*

16 94. Plaintiffs refer to the prior paragraphs of this Complaint and  
17 incorporate those paragraphs as though set forth in full in this cause of action.

18 95. The Policies are valid, enforceable contracts between Plaintiffs and  
19 Class Members and Transamerica.

20 96. At all relevant times, Plaintiffs and Class Members have paid  
21 premiums to Transamerica through Monthly Deduction charges established at the  
22 inception of the Policies, and have otherwise performed all their obligations under  
23 the Policies.

24 97. As alleged above, Transamerica owed duties and obligations to  
25 Plaintiffs and Class Members under the Policies including, but not limited to,  
26 refraining from imposing Monthly Deduction charges except as authorized under  
27 the terms of the Policies.  
28

1           98. Through the MD Increase, Transamerica has materially breached the  
2 terms and provisions of the Policies for reasons not permitted under the Policies;  
3 that is, in order to reduce its credited interest obligations to Plaintiffs and the Class  
4 and to recoup past losses, by dramatically depleting the Policyholders'  
5 accumulation accounts and forcing mass lapses and surrenders of Policies.

6           99. At a minimum, the MD Increase is of such a magnitude that, even if  
7 legitimate COI increases were a factor, Transamerica necessarily considered  
8 impermissible factors other than the COI in setting the level of the MD Increase.

9           100. Transamerica's conduct and material breaches of the Policies have  
10 proximately caused damage to Plaintiffs and the Class Members in an amount to  
11 be determined at trial.

12           101. In addition, unless Transamerica is preliminarily and permanently  
13 enjoined from continuing to deduct the unlawfully increased Monthly Deduction  
14 charges, Plaintiffs and the Class Members will suffer severe and irreparable  
15 injuries for which they have no adequate remedy at law.

16                           **SECOND CAUSE OF ACTION**

17           *(Contract Breach of the Implied Covenant of Good Faith and Fair Dealing*  
18           *– the Feller, Thompson and Lyons Plaintiffs on behalf of the California*  
19           *Subclasses)*

20           102. Plaintiffs refer to the prior paragraphs of this Complaint and  
21 incorporate those paragraphs as though set forth in full in this cause of action.

22           103. The Policies are valid, enforceable contracts between Transamerica  
23 and Plaintiffs or the Class Members.

24           104. Implied in each Policy is a contractual covenant of good faith and fair  
25 dealing through which Transamerica owed Plaintiffs and Class Members a duty to  
26 act in good faith and deal fairly, and in a manner that did not frustrate their  
27 reasonable expectations under the Policies.

28           105. Transamerica contractually breached the covenant of good faith and

1 fair dealing because, to the extent Transamerica had the discretion to increase the  
2 Monthly Deduction, that discretion was sufficiently constrained under the terms of  
3 Policies to support an implied obligation of good faith and fair dealing with respect  
4 to the MD Rate Increase.

5 106. Transamerica exercised its discretion under the Policies in bad faith  
6 and breached the implied covenant of good faith and fair dealing by, among other  
7 things:

- 8 a. Exercising its discretion to increase the Monthly Deductions to  
9 recoup past losses;
- 10 b. Misrepresenting to Plaintiff and Class members the reasons for  
11 the MD Rate Increase;
- 12 c. Intending for the MD Rate Increase to force Plaintiffs and Class  
13 members to surrender their policies so Transamerica would not  
14 have to pay the death benefits; and
- 15 d. Negating the value of what were intended to be guaranteed  
16 interest rates, which Transamerica has no right to do.

17 107. Transamerica's contractual breach of the covenant of good faith and  
18 fair dealing has proximately caused damage to Plaintiffs and the Class Members in  
19 an amount to be determined at the time of trial.

20 108. In addition, unless Transamerica is preliminarily and permanently  
21 enjoined from continuing to deduct the unlawfully increased Monthly Deduction  
22 charges, Plaintiffs and Class Members will suffer severe and irreparable injuries  
23 for which they have no adequate remedy at law.

### 24 **THIRD CAUSE OF ACTION**

25 *(Tortious Breach of the Duty of Good Faith and Fair Dealing*  
26 *–Feller, Thompson and Lyons Plaintiffs on behalf of the California Subclasses)*

27 109. Plaintiffs refer to the prior paragraphs of this Complaint and  
28 incorporate those paragraphs as though set forth in full in this cause of action.



1           110. The Policies are valid, enforceable contracts between Transamerica  
2 and Plaintiffs or the Class Members.

3           111. Life insurance policies, like those owned by Plaintiffs and the Class  
4 Members, protect them from the economic harm and risk presented by death. As  
5 is the case with most insurance contracts, Transamerica and the Policyholders'  
6 financial interests are directly at odds: Transamerica benefits from increasing the  
7 charges to Policyholders and the Policyholders are harmed by such increases. As  
8 explained above, Transamerica benefits if Plaintiffs and Class Members forfeit the  
9 Policies because it will have obtained premium payments without having to pay  
10 death benefits or the promised credited interest rates.

11           112. For these reasons, Transamerica owes Plaintiffs and Class Members a  
12 heightened duty of good faith and fair dealing. Among other things, Transamerica  
13 must refrain from doing anything to injure Policyholders' right to receive the  
14 benefits of the Policies. Transamerica is required to give at least as much  
15 consideration to the welfare of the Policyholders as it gives to its own interests.  
16 Furthermore, Transamerica has a duty to reasonably inform Plaintiffs and the Class  
17 Members of their rights and obligations under the Policies.

18           113. As alleged above, Transamerica has breached these duties in  
19 connection with the MD Increase, thereby frustrating the reasonable expectations  
20 of Plaintiffs and the Class Members and tortiously depriving them of benefits under  
21 the Policies. In increasing the Monthly Deduction, Transamerica did not give  
22 proper consideration to the welfare of Plaintiffs and Class Members and served  
23 solely its own interests at their expense. In addition, Transamerica has failed to  
24 truthfully, let alone reasonably, disclose or describe its course of conduct, or the  
25 basis and reasons for its course of conduct.

26           114. Transamerica's alleged acts and omissions were and are unreasonable  
27 and without proper cause. If left unabated, Transamerica's conduct will frustrate  
28

1 and deprive Plaintiffs and the Class Members of the reasonably expected benefits  
2 of the Policies.

3 115. Transamerica has, in particular, improperly withheld benefits due  
4 Plaintiffs and the Class Members under the Policies, because the unlawful increase  
5 in the Monthly Deduction has both (a) reduced the value of their accumulation  
6 account, and (b) reduced the amount of interest credited on their accumulation  
7 accounts.

8 116. Transamerica's tortious breach of the covenant of good faith and fair  
9 dealing has proximately caused damages to Plaintiffs and Class Members in an  
10 amount to be determined at the time of trial.

11 117. Transamerica's conduct was intentional, deliberate, and constitutes  
12 oppression, fraud, or malice. Plaintiffs and the Class Members are entitled to  
13 recover punitive and exemplary damages in an amount to be determined by the  
14 trier of fact. Plaintiffs also seek an order requiring Transamerica to disgorge all  
15 profits that it received in connection with the above referenced wrongful acts and  
16 omissions.

17 118. In addition, unless Transamerica is preliminarily and permanently  
18 enjoined from continuing to deduct the unlawfully increased Monthly Deduction  
19 charges, Plaintiffs and Class Members will suffer severe and irreparable injuries  
20 for which they have no adequate remedy at law.

21 **FOURTH CAUSE OF ACTION**

22 *(Injunctive and Restitutionary Relief Pursuant to UCL*  
23 *–Feller, Thompson and Lyons Plaintiffs on behalf of the California Subclasses)*

24 119. Plaintiffs refer to the prior paragraphs of this Complaint and  
25 incorporate those paragraphs as though set forth in full in this cause of action.

26 120. Transamerica committed acts of unfair competition by engaging in,  
27 among others, the following practices:

- a. Marketing and selling the Policies on the premise that they were a solid and good life insurance product that would provide a certain death benefit for a certain cost and duration and subsequently taking steps to prevent Policyholders from receiving the promised benefits from those Policies by suddenly, massively, and unlawfully increasing the cost of the Policies through the MD Increase.
- b. Imposing the MD Increase even though Transamerica's expected future mortality has improved and is better than the mortality upon which the original MD Rate schedule is based -- in order to increase premiums, recoup past losses, and/or force its insureds to surrender (cancel) their Policies, all of which was, and is, contrary to, and precluded by, the express terms of the Policies. The Monthly Deduction charges were increased effective August 1, 2015, so that Transamerica could reduce the size of an unprofitable block of life insurance policies, to eliminate long-anticipated losses on the Policies, and to cause many of the Policyholders to surrender their Policies. Transamerica breached its duties under the Policies by improperly increasing the Monthly Deduction charges in order to recoup past losses and gain or retain an unfair competitive advantage over other life insurers.
- c. After the sale of the Policies, continuing to send annual reports, policy servicing statements, illustrations and other documents and correspondence to Plaintiffs and the Class Members without disclosing that there would be sudden, dramatic, and cost-prohibitive increases in the Monthly Deduction charges effective August 1, 2015.
- d. Failing to provide any meaningful advance warning that it intended to massively and suddenly increase the Monthly Deduction charges effective August 1, 2015, through the MD Increase.
- e. Ultimately providing a false and misleading explanation to Plaintiffs and the Class Members of the grounds for the MD Increase.

121. A claim under the Unfair Competition Law's ("UCL's") "unlawful"

1 prong can be predicated on any business practice “forbidden by law, be it civil or  
2 criminal, federal, state, or municipal, statutory, regulatory, or court made.”  
3 *Agarwal v. Pomona Valley Med. Grp. Inc.*, 476 F.3d 665, 674 (9th Cir. 2007).  
4 Transamerica violated the “unlawful” prong through its alleged misconduct,  
5 including the tortious breach of the implied obligation of good faith and fair dealing  
6 as alleged above.

7 122. A claim under the UCL’s “unfair” prong is predicated on a “business  
8 practice” that “violates established public policy” or is “immoral, unethical,  
9 oppressive or unscrupulous and causes injury to consumers which outweighs its  
10 benefits.” *Eisen v. Porsche Cars N. America, Inc.*, No. CV 11-9405 CAS (FEMx),  
11 2012 WL 841019, at \*5 (C.D. Cal. Feb. 22, 2012) (citing *McKell v. Washington*  
12 *Mut., Inc.*, 142 Cal. App. 4th 1457, 1473 (2006). Transamerica violated the  
13 “unfair” prong by excessively raising the Monthly Deduction for reasons not  
14 authorized under the Policies, and unfairly shifting to Plaintiffs and Class  
15 Members: (a) losses suffered by Transamerica when the Policies ceased to be as  
16 profitable as Transamerica had hoped based on its original (but mistaken) pricing  
17 assumptions; and (b) Transamerica’s cost of meeting its obligations to pay credited  
18 interest at the 4% annual and 5.5% effective guaranteed rates.

19 123. Plaintiffs are informed and believe and on that basis allege that the  
20 “unfair” and “unlawful” practices alleged above are continuing in nature and are  
21 widespread practices engaged in by Transamerica.

22 124. On behalf of the general public and the Classes, Plaintiffs respectfully  
23 request that the Court issue an injunction against Transamerica preliminarily and  
24 permanently enjoining it (i) from continuing to engage in unlawful and unfair  
25 conduct and preventing Transamerica from collecting the unlawfully and unfairly  
26 increased Monthly Deduction charges in violation of the Policies and (ii) ordering  
27 any Policy to be reinstated that lapsed or terminated as a result of the MD Increase.  
28

1           125. On behalf of the general public and the Classes, Plaintiffs furthermore  
2 respectfully request that this Court order restitution to be paid by Transamerica to  
3 the Classes for Monthly Deduction charges, premiums, and other amounts  
4 wrongfully required, obtained and collected as the result of the MD Increase in  
5 violation of the Policies.

6           126. Plaintiffs respectfully request an award of attorneys' fees as the  
7 prevailing party in his request for injunctive relief and restitutionary relief against  
8 Transamerica on behalf of themselves and the Class Members.

9                           **FIFTH CAUSE OF ACTION**

10                           *(For Declaratory Relief – All Classes)*

11           127. Plaintiffs refer to the prior paragraphs of this Complaint and  
12 incorporate those paragraphs as though set forth in full in this cause of action.

13           128. An actual controversy has arisen and now exists between Plaintiffs and  
14 the Class Members, on the one hand, and Transamerica, on the other hand,  
15 concerning the respective rights and duties of the parties under the Policies.

16           129. Transamerica contends that it lawfully and appropriately increased  
17 Monthly Deductions effective August 1, 2015, through the MD Increase, has  
18 appropriately collected (and is still collecting) Monthly Deduction charges based  
19 on the elevated Monthly Deduction Rates, and that it is permitted to continue to  
20 collect these charges for the duration of the Policies. On the other hand, Plaintiffs  
21 and Class Members maintain that Transamerica, through the MD Increase, has  
22 inappropriately and unlawfully, in material breach of the express and implied terms  
23 of the Policies, collected inflated Monthly Deduction charges.

24           130. Plaintiffs, on behalf of themselves and the Classes, seek a declaration  
25 as to the parties' respective rights under the Policies and request the Court to  
26 declare that the MD Increase is unlawful and in material breach of the Policies'  
27 terms so that future controversies may be avoided.

**SIXTH CAUSE OF ACTION**

*(For Elder Abuse – Lyons and Thompson Plaintiffs on behalf of California Subclass III Only)*

131. Plaintiffs refer to the prior paragraphs of this Complaint and incorporate those paragraphs as though set forth in full in this cause of action.

132. This cause of action is brought under California's Welfare and Institutions Code section 15610, *et seq.*

133. Plaintiffs Thompson and Lyons and each member of California Class III were 65 years or older at all times relevant to this claim.

134. By imposing the MD Increase, Transamerica took, depleted, appropriated and/or retained Lyons', Thompson's and the Class Members' personal property in bad faith for a wrongful use and/or with the intent to defraud, which constitutes financial abuse as defined in California Welfare & Institutions Code section 15610.30.

135. Transamerica is guilty of oppression, fraud, and malice in the commission of the above-described acts of abuse. At a minimum, Transamerica knew or should have known that its conduct was likely to be harmful to elders.

136. Under California Civil Code section 3294 Transamerica is liable to Lyons, Thompson, and the Class Members for punitive damages.

137. Under California Welfare & Institutions Code section 15657.5 Transamerica is liable to the Lyons and Thompson Plaintiffs and Class Members aged 65 years or older for reasonable attorney fees and costs.

**PRAYER FOR RELIEF**

WHEREFORE, Plaintiffs, individually and on behalf of the Class, pray for relief as follows as applicable for the particular cause of action:

1           1.     An Order certifying this action to proceed on behalf of the Class,  
2 including the Subclasses, and appointing Plaintiffs and the counsel listed below to  
3 represent the Classes;

4           2.     An Order awarding Plaintiffs and Class Members entitled to such relief  
5 restitution and/or disgorgement and such other equitable relief as the Court deems  
6 proper;

7           3.     An Order enjoining Transamerica, its representatives, and all others  
8 acting with it or on its behalf from using Monthly Deduction Rates based on the  
9 MD Rate Increase and from unlawfully charging excessive Monthly Deduction  
10 Rates for the Policies and requiring those rates to be at levels that are consistent  
11 with the terms of the policies, and other appropriate injunctive relief;

12           4.     An Order providing preliminary and permanent injunctive relief  
13 requiring Transamerica, its representatives, and all others acting with it or on its  
14 behalf to reinstate any Class Member whose Policy was cancelled or surrendered as  
15 a result of the MD Rate Increase;

16           5.     An Order providing a declaration that the MD Rate Increase materially  
17 breaches the Policies, and that Transamerica must determine the Monthly  
18 Deduction Rates only on the grounds authorized under the Policies;

19           6.     An Order awarding Plaintiffs and the Subclass Members who might be  
20 entitled to such relief actual, compensatory, statutory, punitive, and/or exemplary  
21 damages;

22           7.     An Order awarding Plaintiffs' attorneys' fees, expert witness fees and  
23 other costs pursuant to the state statutory causes of action set forth above that permit  
24 such an award; and

25           8.     An Order awarding such other and further relief as may be just and  
26 proper, including pre-judgment and post-judgment interest on the above amounts.  
27  
28



**DEMAND FOR JURY TRIAL**

Plaintiffs demand a jury trial.

Dated: August 17, 2017.

**BONNETT, FAIRBOURN, FRIEDMAN  
& BALINT, PC**

By: /s/Andrew S. Friedman

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*Attorneys for Plaintiffs and the Classes*

# **EXHIBIT A**



Transamerica Occidental  
Life Insurance Company  
Home Office: Los Angeles, CA

POLICY FORM TM-PC  
Individual Life Insurance

INSURED GEORGE N ZACHARIA

92332828 POLICY NUMBER

FACE AMOUNT \$250,000

DEC 20 1990 DATE OF ISSUE

While this policy is in force, Transamerica Occidental Life Insurance Company will pay the death benefit to the beneficiary if the Insured dies before the policy anniversary nearest the Insured's age 95, or will pay the net cash value to the owner on the policy anniversary nearest the Insured's age 95 if the Insured is living on that date. All payments are subject to the provisions of this policy.

Signed for the Company at Los Angeles, California, on the date of issue.

EXECUTIVE VICE PRESIDENT, GENERAL COUNSEL  
AND CORPORATE SECRETARY

PRESIDENT

Right to Examine and Return Policy Within 10 Days -- At any time within 10 days after you receive this policy, you may return it to us or the agent through whom you bought it. We will cancel the policy and void it from the beginning. We will refund to you any premiums paid, less any partial surrenders.

Adjustable Life Insurance  
Minimum Premium Requirement  
First 5 Policy Years  
Thereafter Flexible Premiums  
Payable During Life of Insured  
To Age 95, Subject to Limitations  
Described in the Premiums Provision

Death Benefit Payable at Death of  
Insured Before Age 95  
Net Cash Value Payable at  
Insured's Age 95

Nonparticipating - No Annual Dividends

This policy is a legal contract between you, the Policy Owner, and Transamerica Occidental Life Insurance Company.

### READ YOUR POLICY CAREFULLY

#### POLICY SUMMARY

We will pay the death benefit to the Beneficiary if the Insured dies before the policy anniversary nearest age 95.

You must pay at least the minimum premium per year during the first 5 policy years or the policy will lapse. After that, you may vary the amount of premiums and how often you pay them, within certain limits as described in the Premiums Provision. Generally, you may pay premiums as long as the Insured is living. If the Insured is living at the policy anniversary nearest age 95, we will pay the net cash value to you.

Additional benefits, if any, are provided by rider.

This is only a brief description. The insurance is fully described in the various provisions of the policy.

#### GUIDE TO POLICY PROVISIONS

	Page		Page
Accumulation Values .....	6	Option to Reduce the Face Amount .....	9
Application Copy .....	after 17	Payment of Cash Values and Loans .....	13
Beneficiary's Rights .....	4	Payment of Death Benefit .....	4
Breakdown of Monthly Deductions .....	14, 15	Policy Data .....	2, 2A, 2B
Cash Value .....	7	Policy Loans .....	7
Change of Beneficiary .....	4	Policy Statements and Illustrations .....	13
Death Benefit .....	4	Premiums .....	5
Definitions .....	3	Reinstatement of Lapsed Policy .....	6
Guaranteed Values .....	6	Riders .....	after 17
Grace Period .....	6	Surrender Option .....	8
Misstatement of Age .....	13	Table of Guaranteed Monthly Deduction Rates .....	2A
Nonforfeiture Options .....	8	Table of Surrender Penalties .....	11, 12
Ownership Provision .....	3		



This policy is a legal contract between you, the Policy Owner, and Transamerica Occidental Life Insurance Company.

# READ YOUR POLICY CAREFULLY

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Ownership Provision	3		

LOAN INTEREST  
RATE 7.40% IN ADVANCE DEC 20 1990 POLICY DATE

REINSTATEMENT  
INTEREST RATE 6.00% 50 AGE OF INSURED

INSURED GEORGE N ZACHARIA 92332828 POLICY NUMBER

FACE AMOUNT \$250,000 DEC 20 1990 DATE OF ISSUE

DEATH BENEFIT  
OPTION OPTION I RATED CLASS OF RISK

OWNER PRIME PUMP INC NON-SMOKER

-----

THE CHARGE FOR ANY ADDITIONAL BENEFITS WHICH ARE PROVIDED BY RIDER IS SHOWN  
BELOW. ONLY A BRIEF DESCRIPTION IS GIVEN. THE COMPLETE PROVISIONS ARE  
INCLUDED IN THE RIDER.

RIDER NUMBER	SCHEDULE OF ADDITIONAL BENEFITS	ANNUAL PREMIUM
-----	-----	-----
	NONE	NO CHARGE

-----

MINIMUM INITIAL PREMIUM: \$5,176.53  
PLANNED PERIODIC PREMIUMS: \$7,090.00 ANNUAL  
REQUIRED PREMIUM PER YEAR IN POLICY YEARS 1-5 : \$5,176.53

-----

NOTE: THIS POLICY MAY TERMINATE PRIOR TO THE INSURED'S AGE 95 IF:

- (1) THE ACCUMULATION VALUE MINUS ANY LOAN IS LESS THAN THE MONTHLY DEDUCTION DUE, OR
- (2) THE REQUIRED PREMIUMS IN THE FIRST 5 YEARS ARE NOT PAID.

TABLE OF GUARANTEED MONTHLY DEDUCTION RATES PER \$1,000 \*

POLICY YEAR BEGINNING	POLICY EXCLUDING RIDERS	POLICY YEAR BEGINNING	POLICY EXCLUDING RIDERS
DEC 20 1990	\$1.68	DEC 20 2013	\$11.34
DEC 20 1991	2.37	DEC 20 2014	11.98
DEC 20 1992	2.55	DEC 20 2015	12.66
DEC 20 1993	2.73	DEC 20 2016	13.37
DEC 20 1994	2.92	DEC 20 2017	14.16
DEC 20 1995	2.49	DEC 20 2018	14.91
DEC 20 1996	2.75	DEC 20 2019	15.68
DEC 20 1997	2.96	DEC 20 2020	16.45
DEC 20 1998	3.23	DEC 20 2021	17.29
DEC 20 1999	3.57	DEC 20 2022	18.17
DEC 20 2000	3.86	DEC 20 2023	19.02
DEC 20 2001	4.22	DEC 20 2024	19.96
DEC 20 2002	4.65	DEC 20 2025	20.78
DEC 20 2003	5.05	DEC 20 2026	21.64
DEC 20 2004	5.58	DEC 20 2027	22.34
DEC 20 2005	6.07	DEC 20 2028	23.06
DEC 20 2006	6.64	DEC 20 2029	23.63
DEC 20 2007	7.27	DEC 20 2030	24.18
DEC 20 2008	7.98	DEC 20 2031	24.66
DEC 20 2009	8.71	DEC 20 2032	25.08
DEC 20 2010	9.53	DEC 20 2033	25.55
DEC 20 2011	10.08	DEC 20 2034	26.21
DEC 20 2012	10.69		

\* TO FIND THE AMOUNT OF MONTHLY DEDUCTION DURING EACH POLICY YEAR, SEE THE GUARANTEED VALUES SECTION. A POLICY FEE OF \$4.00 WILL BE ADDED INTO EACH MONTHLY DEDUCTION.

(4) THE DIFFERENCE BETWEEN THE ACCUMULATION VALUE AND THE CASH VALUE IS THE SURRENDER CHARGE.

TABLE OF POLICY VALUES AND BENEFITS

ILLUSTRATIVE PREMIUMS (1)  
 GUARANTEED BASIS (2)

END OF POLICY YEAR	PLANNED ANNUALIZED PREMIUM	DEATH BENEFIT	ACCUMULATION VALUE(3)	CASH VALUE (4)
1	\$7,090.00	\$250,000	\$2,129	\$0
2	7,090.00	250,000	2,316	0
3	7,090.00	250,000	1,970	0
4	7,090.00	250,000	1,045	0
5	7,090.00	0	0	0
6	0.00	0	0	0
7	0.00	0	0	0
8	0.00	0	0	0
9	0.00	0	0	0
10	0.00	0	0	0
11	0.00	0	0	0
12	0.00	0	0	0
13	0.00	0	0	0
14	0.00	0	0	0
15	0.00	0	0	0
16	0.00	0	0	0
17	0.00	0	0	0
18	0.00	0	0	0
19	0.00	0	0	0
20	0.00	0	0	0
AGE 60	0.00	0	0	0
AGE 65	0.00	0	0	0

- (1) THE ACCUMULATION AND CASH VALUES RESULT FROM THE INTEREST RATES, MONTHLY DEDUCTIONS, AND THE TIMELY PAYMENT OF THE PLANNED ANNUALIZED PREMIUMS. PARTIAL SURRENDERS, SURRENDER-PENALTY-FREE WITHDRAWALS OR LOANS MAY CHANGE THESE RESULTS.
- (2) RESULTS CALCULATED ON A GUARANTEED BASIS REFLECT GUARANTEED MONTHLY DEDUCTIONS AND THE CUMULATIVE GUARANTEED INTEREST RATE OF 5.5%.
- (3) ACCUMULATION VALUES ILLUSTRATED ON A GUARANTEED BASIS REFLECT ACCUMULATED NET PREMIUMS PLUS ACCRUED INTEREST AT THE GUARANTEED MINIMUM ANNUAL INTEREST RATE LESS ACCRUED GUARANTEED MAXIMUM MONTHLY DEDUCTIONS WHICH INCLUDE THE POLICY FEE AND THE COST OF ANY RIDERS. WHILE A POLICY LOAN EXISTS, THE INTEREST RATE APPLICABLE TO THE ACCUMULATION VALUE SECURING THE LOAN MAY DIFFER FROM THE INTEREST RATE APPLICABLE TO THE ACCUMULATION VALUE NOT SECURING THE LOAN.

THE REDUCED PAID-UP VALUES (MAXIMUM NET SINGLE PREMIUM AND FACE AMOUNT PER THOUSAND) ARE SHOWN IN THE POLICY AFTER THE NONFORFEITURE OPTIONS PROVISION.

## DEFINITIONS

In this policy:

**We, our or us** means Transamerica Occidental Life Insurance Company.

**You and your** means the Owner of this policy.

**Accumulation Value** is the policy's total value as described in the Accumulation Values section.

**Age** means the Insured's age on the nearest birthday.

**The Beneficiary** is the person to whom we will pay the death benefit if the Insured dies.

**Cash Value** means the accumulation value as described in the Accumulation Values section, less any surrender penalty.

**Lapse** means termination of the policy due to insufficient premium or accumulation value.

**A Policy Loan** is indebtedness to us for a loan secured by this policy.

**The Maximum Loan Value** is the largest amount you may borrow under the loan provisions.

**A Monthly Deduction** is an amount we withdraw from the accumulation value at the end of each policy month.

**The Monthly Deduction** is equal to

- (a) the monthly deduction rate, times .001, times the difference between the death benefit and the accumulation value at the beginning of the policy year,

plus (b) the monthly deduction for any riders,

plus (c) the policy fee as shown in the Policy Data.

**The Net Cash Value** is the cash value less any loans.

**A Net Premium** is 98% of any premium you pay.

**Reinstate** means to restore coverage after the policy has lapsed.

**A rider** is an attachment to the policy that provides an additional benefit.

We will send any notice under the provisions of this policy to your last known address and to any assignee of record.

We will use the **Policy Date** shown in the policy data to determine the monthly dates, policy anniversaries and policy years.

## OWNERSHIP

**Owner of the Policy** -- Only you, the Owner, are entitled to the rights granted under this policy while the Insured is living. If you are an individual and you die before the Insured, your rights will pass to the executor or administrator of your estate for disposition unless stated otherwise in this policy. If the Owner is a partnership, the rights belong to the partnership as it exists when a right is exercised.

**Assignment of the Policy** -- We are not responsible for the adequacy of any assignment. However, if you file the assignment with us and we record it at our Home Office, your rights and those of any revocable beneficiary will be subject to it.

## THE BENEFICIARY

**Who Receives the Death Benefit --** When the Insured dies, we will pay the death benefit to the beneficiary. The beneficiary is as designated in the application, unless changed as shown under "How to Change a Beneficiary" below. If the beneficiary is a partnership, we will pay the death benefit to the partnership as it existed when the Insured died.

**Protection of the Death Benefit --** To the extent permitted by law, no death benefit will be subject to the claims of the beneficiary's creditors or to any legal process against the beneficiary.

**If the Beneficiary Dies --** If any beneficiary dies before the Insured, that beneficiary's interest in the death benefit will end. If any beneficiary dies at the same time as the Insured, or within 30 days after the Insured, that beneficiary's interest in the death benefit will end if no benefits have been paid to that beneficiary. If the interest of all designated beneficiaries has ended when the Insured dies, we will pay the death benefit to you. If you are not living at that time, we will pay the death benefit to the executor or administrator of your estate.

**How to Change a Beneficiary --** You may change the designated beneficiary by sending a satisfactory written notice to us. The change will not be effective until we record it at our Home Office. Even if the Insured is not living when we record the change, the change will take effect as of the date it was signed. However, any benefits we pay before we record the change will not be subject to the change.

A beneficiary designated irrevocably may not be changed without the written consent of that beneficiary.

## PAYMENT OF THE DEATH BENEFIT

**Proof of Death --** We will pay any benefit payable because of death when we receive due proof of the Insured's death. The proof must be sent to us at our Home Office. We will send appropriate forms to the beneficiary upon request. Any of our agents will help the beneficiary fill out the forms without charge. We will send all payments from our Home Office.

**Death Benefit --** The amount of the death benefit may be affected by other policy provisions, such as Policy Loans or Misstatement of Age or Sex.

**Death Benefit Option --** The death benefit will be based on whether you have chosen Option I or Option II, as shown in the Policy Data.

**Option I:** The death benefit will be the greater of:

- (a) the face amount plus the net increase, if any, in the accumulation value from the last policy anniversary to the date of the Insured's death, or
- (b) the death benefit factor times the accumulation value as of the date of the Insured's death.

**Option II:** The death benefit will be the greater of:

- (a) the face amount plus the accumulation value as of the date of the Insured's death; or
- (b) the death benefit factor times the accumulation value as of the date of the Insured's death.

In no event will the amount of death benefit be less than the amount needed to continue to qualify the policy as a life insurance contract under Section 7702 of the Internal Revenue Code, as in effect at the time this policy is issued and the regulations thereunder.

We will reduce the death benefit by any policy loans and by the portion of the grace period premium necessary to provide insurance to the date of the Insured's death.

The net increase in accumulation value is the sum of all net premiums less any refunds, minus the sum of all accrued monthly deductions from the last policy anniversary to the date of death, plus accrued interest from the last policy anniversary to the date of death, minus the pro rata portion of the monthly deduction for the period from the last monthly date to the date of death. (See Accumulation Values in the Guaranteed Values section for details.) Partial Surrender amounts, Partial Surrender penalties, and Surrender-Penalty-Free Withdrawal amounts are not included as part of the net increase in accumulation value for the purpose of calculating the death benefit as of the date of death.



### DEATH BENEFIT FACTORS

Insured's Attained Age	Death Benefit Factor	Insured's Attained Age	Death Benefit Factor
40 and below	2.50	70	1.15
41	2.43	71	1.13
42	2.36	72	1.11
43	2.29	73	1.09
44	2.22	74	1.07
45	2.15	75	1.05
46	2.09	76	1.05
47	2.03	77	1.05
48	1.97	78	1.05
49	1.91	79	1.05
50	1.85	80	1.05
51	1.78	81	1.05
52	1.71	82	1.05
53	1.64	83	1.05
54	1.57	84	1.05
55	1.50	85	1.05
56	1.46	86	1.05
57	1.42	87	1.05
58	1.38	88	1.05
59	1.34	89	1.05
60	1.30	90	1.05
61	1.28	91	1.04
62	1.26	92	1.03
63	1.24	93	1.02
64	1.22	94	1.01
65	1.20		
66	1.19		
67	1.18		
68	1.17		
69	1.16		

### PREMIUMS

We will accept any amount you send us as a premium payment while this policy is in force, subject to the Premium Limitation provision and these conditions:

1. The minimum initial premium is shown in the Policy Data. It is payable on the Policy Date. You may send subsequent premiums to our Home Office or you may pay them to an agent or cashier we authorize. We will give you a receipt if you ask for one.
2. You must pay the minimum required premium for the first 5 policy years. At the end of each of the first 5 policy years we will calculate the cumulative total of all premiums paid, less any Partial Surrenders and Surrender-Penalty-Free Withdrawals. We will divide this total by the number of years since the policy date. This amount must equal or exceed the required premium per year for each year in the required premium period or your policy will lapse. (See page 2 of the policy data.)

3. You may pay premiums at any time, but only if the amount of each premium is at least \$25.

**Premium Limitation --** We reserve the right to refund any unscheduled premium during a particular policy year if the total premium paid:

- (a) increases the difference between the death benefit and the accumulation value, and
- (b) is more than \$20 per thousand of face amount and more than three times the total of the monthly deductions for the last year.

We also reserve the right to refund any unscheduled premiums that exceed \$25,000 in any 12-month period.

After the first policy year and before the sixth policy year, we reserve the right to refund any unscheduled premium that would cause the total premium deposited in any one of those policy years to exceed five times the Required Premium Per Year. Beginning with the sixth policy year, we reserve the right to refund any unscheduled premium that would cause the total premium deposited in any one policy year to exceed three times the Required Premium Per Year. The Required Premium Per Year is shown on page 2 of the policy data. We will not refund any premium if that premium would cause the accumulation value minus any loan to be less than the monthly deduction due.

We will not refund any amount if doing so would cause your policy to lapse before the next anniversary.

As of the end of any policy year, if the premiums paid exceed the amount allowable if the death benefit is to qualify for the federal income tax exclusion, we will remove the excess amount of premiums paid from the policy, with interest, as of the end of that policy year. We will refund to you this excess amount (including interest) within 60 days after the end of that policy year.

Such an excess amount could occur, for example, as a result of a Partial Surrender or other change in the benefits or terms of the policy, since the premium amount allowable for the policy may be reduced.

The amount refundable will not exceed the net cash value of the policy. If the entire net cash value is refunded, we will treat the transaction as a full surrender of your policy.

**Continuation of Insurance --** Between premium payments we automatically continue your policy at the same face amount and with any additional benefits provided by rider, subject to the Grace Period provision below. Refer to the Monthly Deduction section for further explanation.

**Grace Period** -- A grace period is a period of 31 days after (a) a monthly date when the accumulation value minus any loan is less than the monthly deduction due, or (b) a policy anniversary on which the minimum required premium has not been paid during the first 5 policy years. We will notify you that the grace period has begun and that you must pay a premium large enough to keep the policy in force before the 31 days are up. If you do not pay enough premium, your policy will lapse, subject to the Nonforfeiture Options provision.

Since a monthly deduction is made on each monthly date for the prior month, and a nominal 31-day grace period is provided after that monthly date, there will always be at least a 62-day effective grace period for payment of overdue premiums.

During the grace period, we will not charge interest on the premium due. If the Insured dies during the grace period and before you pay the premium we will subtract from the death benefit the cost of coverage to the date the Insured died.

**Reinstatement of Lapsed Policy** -- If this policy lapses, it may be reinstated provided it was not surrendered. To reinstate the policy, you must meet the following conditions:

1. You must request reinstatement in writing within three years after the date of lapse and before the Insured's age 95.
2. The Insured must still be insurable by our standards.
3. If any loans existed when the policy lapsed, you must repay or reinstate them with interest compounded annually from the date of lapse at the reinstatement interest rate of 6%.
4. The reinstated policy will be subject to the minimum premium requirement during the first 5 policy years. (See page 2 of Policy Data and Premiums provision, number 2.) If the policy lapsed during one of the first 5 policy years and is reinstated in a different policy year, you must pay a premium large enough to meet the minimum premium requirement at the time of reinstatement, with interest compounded annually at the reinstatement interest rate of 6%. If the policy lapsed after the fifth policy year, or if it lapsed in one of the first 5 policy years and is reinstated in the same policy year, you must pay a premium large enough to cover two monthly deductions due when the policy lapsed and three monthly deductions due when the policy is reinstated.

The Accumulation Value of the reinstated policy will be: the surrender penalty at the time of lapse; plus any net cash value we paid you at the time of lapse; plus any loan reinstated; plus 98% of any premium you pay at reinstatement; minus any monthly deductions due at the time of lapse.

## GUARANTEED VALUES

**Accumulation Values** -- The accumulation value on any specified date on or before the first policy anniversary is equal to:

1. All net premiums paid less any refunds since issue, plus accrued interest from the date each premium is received in the Home Office to the specified date.
- minus 2. All monthly deductions charged since issue, plus accrued interest from each monthly date to the specified date.
- minus 3. Any partial surrenders or Surrender-Penalty-Free Withdrawals since issue, plus accrued interest from each partial surrender date to the specified date.
- minus 4. A prorata portion of the monthly deduction applicable to the period of time from the last monthly date on or before the specified date to the specified date.

The accumulation value on any specified date after the first policy anniversary is equal to:

1. The accumulation value on the last policy anniversary plus accrued interest from the last policy anniversary to the specified date.
- plus 2. All net premiums paid less any refunds since the last policy anniversary, plus accrued interest from the date each premium is received in the Home Office to the specified date.
- minus 3. All monthly deductions charged since the last policy anniversary, plus accrued interest from each monthly date to the specified date.
- minus 4. Any partial surrenders and Surrender-Penalty-Free Withdrawals including partial surrender penalties since the last policy anniversary, plus accrued interest from each partial surrender date to the specified date.
- minus 5. A prorata portion of the monthly deduction applicable to the period of time from the last monthly date on or before the specified date to the specified date.

A Table of Policy Values is included in this policy. It is based on the information you gave us when the policy was issued. The values shown may change as the declared interest rates, your premium payments, and other factors change from the illustrated data. Every year we will send you a statement of actual policy values.

**Guaranteed Interest Rates** -- The net premium accrues simple interest from the date we receive it in the Home Office. Interest is credited annually on each policy anniversary.

We guarantee that your accumulation value on any policy anniversary will be at least equal to what it would have been if the credited interest rate had always been 5.5%. The minimum interest rate we credit at any one time will never be less than 4%.

We may declare a higher interest rate than the guaranteed minimum rate at any time. Each rate we declare replaces the guaranteed minimum rate until we declare a different one.

The interest rate for any portion of the accumulation value equal to the amount of any policy loan will be at the effective annual loan interest rate less 2.5%.

**Monthly Deduction Rates** -- We will determine the monthly deduction rate for each policy year at the beginning of that year. We will use the Insured's age as of that policy year. The guaranteed monthly deduction for nonsmokers is the cost of insurance. The guaranteed monthly deduction for smokers is made up of a cost of insurance portion and an expense portion. The breakdown of the guaranteed monthly deduction for smokers issued at the standard class of risk appears on pages 14 and 15.

A Table of Guaranteed Monthly Deduction Rates is in the policy data. We may use rates lower than these guaranteed monthly deduction rates. We will never use higher rates.

**Monthly Deduction** -- At the end of each policy month, we will take the monthly deduction for the prior month from the accumulation value.

The Monthly Deduction is equal to

- (a) the monthly deduction rate, times .001, times the difference between the death benefit and the accumulation value at the beginning of the policy year,
- plus (b) the monthly deduction for any riders,
- plus (c) the policy fee as shown in the Policy Data.

## CASH VALUE

You may borrow the cash value, or take it as a partial or full surrender of the policy. All of these transactions are described in this section. We guarantee that the cash value always equals or exceeds the amount required by the law in effect at the time of issue in the state in which this policy is delivered.

**Policy Loans** -- We will make a loan subject to the following conditions:

1. The maximum loan amount is the accumulation value as of the date of the loan request, minus
  - a. any existing loan(s);
  - b. interest on the amount of the loan to the end of the policy year; and
  - c. the full surrender penalty or three monthly deductions, whichever is greater.
2. You must pay interest on the loan at the loan interest rate annually in advance. If you do not pay the interest when it is due, we will add the amount of interest to the loan. We will charge interest on this amount at the same interest rate being charged on the loan.
3. You must assign the policy to us to the extent of the outstanding loan. If the Insured dies, we will deduct the outstanding loan from the death benefit before we pay the death benefit to the beneficiary.
4. The loan will be secured by that portion of the accumulation value equal to the amount of the loan.

**Loan Repayment** -- You may repay any part of a loan at any time while the Insured is living and before the Insured's age 95.

If you wish to make a loan repayment, you must tell us that the payment you send us is for that purpose. Unless your payment is clearly marked as a loan repayment, we will assume it is a premium payment except as indicated in the Premium Limitation Provision. When we receive a loan repayment we will apply it to the portion of the accumulation value that secures a loan.

Your policy will not lapse if you do not repay a loan. However, the portion of the accumulation value not securing a loan must be large enough to cover the monthly deduction due and any loan interest due not paid in cash. (See Grace Period provision for details.)

**Partial Surrender** -- You may surrender a portion of this policy for its value if you send us a written request. We will deduct the partial surrender penalty and the surrender amount you request from the policy's accumulation value. If you chose death benefit Option 1, we will also deduct the partial surrender penalty and the amount you request from the policy's face amount. The face amount may not be less than \$25,000.

The partial surrender penalty is the greater of:

- 1) \$25, or
- 2) the proportionate full surrender penalty.

The proportionate full surrender penalty may be calculated as follows:

Let X = surrender amount you request

a = full surrender penalty per 1,000 of face amount  
(see Table of Surrender Penalties)

The proportionate full surrender penalty =

$$X \text{ times } \frac{a}{1000 - a}$$

In any policy year, the maximum amount that you may request and receive by Partial Surrender is:

- 1) the accumulation value,
- minus 2) any indebtedness,
- minus 3) the sum of 3 monthly deductions,
- minus 4) the greater of \$25 or the full surrender penalty.

If you ask for an amount larger than the maximum described above, we will treat it as a request for a full surrender of the policy.

**Surrender-Penalty-Free Withdrawal** -- At any time after the first policy year you may make a withdrawal without incurring a partial surrender penalty, within the limits outlined below.

When you request a partial surrender in the second or later policy year we will calculate the amount eligible for surrender without penalty. This amount will be the lesser of:

- (a) 10% of the policy's accumulation value, minus the sum of all Surrender-Penalty-free withdrawals since the last policy anniversary or
- (b) the maximum amount available as a partial surrender described above.

During the first five policy years the sum of all Surrender-Penalty-Free Withdrawals and Partial Surrenders may not exceed the sum of all premiums paid less the sum of all required premiums since the policy date. (See Premium Provision Number 2 on page 5.)

We will process a Surrender-Penalty-Free Withdrawal for the eligible amount. The remainder or any amount you requested we will process as a partial surrender.

We will deduct the withdrawal amount you request from the policy's accumulation value.

**Nonforfeiture Options** -- You may continue or surrender the policy under one of the following options:

**Option 1. Paid-Up Life** -- You may exchange this policy for a single premium paid up whole life policy. These conditions will apply:

- (a) The policy must be in force when you request the change.
- (b) You will surrender all rights under this policy in exchange for the paid-up policy.
- (c) We will calculate the face amount of the paid-up policy in this way: the net cash value divided by the net single premium at the Insured's attained age equals the paid-up face amount.



**Evidence of Insurability** -- When you request this option, we will calculate the difference between the amount of paid-up insurance and the total net single premium. We will compare that amount to the difference between the death benefit and the accumulation value under this policy on the date you choose this option. If the difference between the amount of paid-up insurance and the total net single premium is greater than the difference between the death benefit and the accumulation value, the Insured must give us satisfactory evidence of insurability. We calculate the total net single premium by taking the face amount of the paid-up policy and multiplying it by the net single premium per thousand.

If the Insured does not send us satisfactory evidence of insurability, we will reduce the amount of paid-up insurance accordingly. If there is any net cash value left over after you purchase the paid-up insurance, we will refund it to you.

- (d) We will issue and date the paid-up policy as of the date you surrender this policy.
- (e) The premiums we use for the single premium paid-up insurance will be those in effect as of the date you request the change. They will never be greater than the rates shown in the Table of Maximum Net Single Premiums for Paid-Up Insurance on the following page.
- (f) There is a Table of Paid-Up Insurance per Thousand of Net Cash Value following the Table of Net Single Premiums.
- (g) The paid-up insurance will have cash values. If you surrender any paid-up insurance within 30 days of a policy anniversary, the cash value of the insurance will not be less than the cash value on that anniversary.

**Option 2. Extended Term Insurance** -- If the class of risk shown on page 2 of the Policy Data is "Standard," you may continue this policy as non-participating extended term insurance. These conditions will apply:

- (a) The policy must be in force when you request the change.
- (b) You will surrender all rights under this policy in exchange for the extended term policy.

- (c) We will calculate the face amount of the extended term policy in this way: this policy's face less any indebtedness as of the date of your request equals the extended term face amount.
- (d) We will calculate the length of the coverage period of the extended term policy by applying the net cash value of this policy as a net single premium for the extended term coverage.
- (e) We will issue and date the extended term policy as of the date you surrender this policy.

**Option 3. Full Surrender** -- You may surrender the policy for its net cash value. The net cash value on the date of your request is the accumulation value minus the surrender penalty and any existing loans.

There is a Table of Surrender Penalties following the Table of Paid-Up Insurance per Thousand of Net Cash Value. We will use the factors in the table to determine the surrender penalty we will apply. To calculate the full surrender penalty, find the factor for the Insured's issue age and the number of years the policy has been in force. Multiply this factor by the number of thousands of face amount of the policy. This is the full surrender penalty. There is no surrender penalty after 20 policy years.

If you do not choose an option and your policy lapses at the end of a grace period, or because you did not pay the Required Premium Per Year as described in the Premiums provision, we will automatically use any remaining net cash value to purchase Paid-Up Insurance as described in Option 1.

**Option to Reduce the Face Amount** -- The Owner may request a decrease of the face amount of this policy if all the conditions are met.

The following conditions will apply:

1. You must make a written request to us.
2. At the request date, this policy must be in force and the Insured must be living.
3. The amount of the reduction in face amount must be at least \$25,000.
4. The new face amount may not be less than \$100,000.
5. The decrease of the face amount of this policy may cause a change in the monthly deduction rates to be charged.
6. A surrender Penalty will result from the decrease in the face amount if the change is made during the 20 year surrender penalty period.

TABLE OF MAXIMUM NET SINGLE PREMIUMS FOR PAID-UP INSURANCE PER \$1,000

Insured's Attained Age	Male	Female	Insured's Attained Age	Male	Female	Insured's Attained Age	Male	Female	Insured's Attained Age	Male	Female
0	44.43	34.75	25	105.10	85.37	50	296.12	241.84	75	651.28	590.50
1	42.87	33.87	26	109.31	89.01	51	307.76	251.43	76	665.63	607.89
2	44.20	34.89	27	113.79	92.82	52	319.72	261.33	77	679.65	625.33
3	45.69	36.03	28	118.54	96.83	53	331.99	271.55	78	693.39	642.55
4	47.27	37.25	29	123.57	101.02	54	344.54	282.07	79	706.94	659.70
5	48.97	38.56	30	128.88	105.41	55	357.35	292.92	80	720.36	676.81
6	50.81	39.95	31	134.47	110.01	56	370.41	304.09	81	733.65	693.83
7	52.79	41.45	32	140.33	114.82	57	383.72	315.64	82	746.79	710.69
8	54.93	43.04	33	146.49	119.86	58	397.29	327.60	83	759.68	727.31
9	57.24	44.74	34	152.93	125.14	59	411.14	340.03	84	772.26	743.59
10	59.69	46.54	35	159.66	130.65	60	425.27	352.94	85	784.51	759.53
11	62.29	48.45	36	166.68	136.41	61	439.65	366.35	86	796.54	775.20
12	65.00	50.46	37	174.00	142.40	62	454.26	380.23	87	808.55	790.79
13	67.78	52.55	38	181.61	148.63	63	469.05	394.50	88	820.85	806.56
14	70.59	54.74	39	189.51	155.08	64	483.98	409.10	89	833.91	822.91
15	73.40	56.99	40	197.69	161.75	65	499.01	423.97	90	848.33	840.41
16	76.21	59.33	41	206.17	168.63	66	514.10	439.10	91	863.07	859.92
17	79.01	61.75	42	214.92	175.73	67	529.27	454.52	92	885.52	882.72
18	81.83	64.25	43	223.98	183.05	68	544.52	470.29	93	911.89	910.88
19	84.70	66.87	44	233.33	190.62	69	559.86	486.48	94	947.86	947.86
20	87.66	69.60	45	243.00	198.44	70	575.29	503.12			
21	90.75	72.46	46	252.96	206.53	71	590.76	520.19			
22	94.01	75.45	47	263.25	214.91	72	606.20	537.59			
23	97.48	78.60	48	273.87	223.58	73	621.51	555.21			
24	101.17	81.91	49	284.82	232.56	74	636.55	572.89			

TABLE OF PAID-UP INSURANCE PER \$1,000 OF NET CASH VALUE

$$\text{Amount of Paid-Up Insurance} = \left( \frac{\text{Cash Value}}{1000} \right) \times \text{Factor for the Insured's Attained Age.}$$

Insured's Attained Age	Male	Female	Insured's Attained Age	Male	Female	Insured's Attained Age	Male	Female	Insured's Attained Age	Male	Female
0	22,507.22	28,775.64	25	9,513.86	11,713.38	50	3,376.98	4,134.92	75	1,535.44	1,693.47
1	23,324.67	29,523.91	26	9,147.93	11,234.54	51	3,249.24	3,977.23	76	1,502.32	1,644.76
2	22,620.15	28,658.14	27	8,787.85	10,772.70	52	3,127.69	3,826.47	77	1,471.34	1,599.15
3	21,884.20	27,752.75	28	8,435.53	10,327.28	53	3,012.11	3,682.44	78	1,442.19	1,556.29
4	21,152.99	26,842.99	29	8,092.26	9,898.65	54	2,902.39	3,545.10	79	1,414.55	1,515.83
5	20,420.14	25,932.05	30	7,759.04	9,488.11	55	2,798.38	3,413.90	80	1,388.20	1,477.52
6	19,681.01	25,029.02	31	7,436.44	9,089.78	56	2,699.70	3,288.43	81	1,363.04	1,441.28
7	18,942.84	24,124.68	32	7,125.61	8,708.89	57	2,606.05	3,168.15	82	1,339.07	1,407.07
8	18,202.40	23,233.05	33	6,826.15	8,342.76	58	2,517.00	3,052.48	83	1,316.33	1,374.92
9	17,469.42	22,350.98	34	6,538.73	7,990.75	59	2,432.21	2,940.91	84	1,294.90	1,344.82
10	16,751.70	21,485.22	35	6,263.09	7,653.80	60	2,351.43	2,833.28	85	1,274.68	1,316.61
11	16,052.87	20,637.07	36	5,999.20	7,330.57	61	2,274.53	2,729.56	86	1,255.43	1,289.98
12	15,384.53	19,815.15	37	5,746.91	7,022.05	62	2,201.38	2,629.88	87	1,236.78	1,264.55
13	14,752.96	19,025.16	38	5,506.22	6,728.03	63	2,131.94	2,534.81	88	1,218.23	1,239.83
14	14,166.12	18,267.59	39	5,276.75	6,448.16	64	2,066.17	2,444.38	89	1,199.17	1,215.20
15	13,622.52	17,544.43	40	5,058.29	6,182.31	65	2,003.95	2,358.658	90	1,178.78	1,189.89
16	13,120.49	16,853.89	41	4,850.34	5,929.93	66	1,945.12	2,277.36	91	1,155.98	1,162.90
17	12,655.36	16,193.70	42	4,652.73	5,690.38	67	1,889.38	2,200.00	92	1,129.28	1,132.86
18	12,220.37	15,561.82	43	4,464.57	5,462.81	68	1,836.48	2,126.32	93	1,096.62	1,097.64
19	11,806.10	14,952.23	44	4,285.63	5,245.96	69	1,786.16	2,055.55	94	1,055.00	1,055.00
20	11,407.23	14,365.95	45	4,116.23	5,039.15	70	1,738.25	1,987.57			
21	11,018.36	13,800.03	46	3,953.10	4,841.77	71	1,692.73	1,922.37			
22	10,636.17	13,252.08	47	3,798.61	4,653.07	72	1,649.61	1,860.13			
23	10,258.08	12,721.70	48	3,651.36	4,472.52	73	1,608.99	1,801.11			
24	9,883.97	12,208.51	49	3,510.89	4,299.93	74	1,570.94	1,745.54			

**Table of Surrender Penalties  
Per \$1,000 Face Amount**

**Policy Year**

Issue Age	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21+
0	9	9	9	9	9	9	9	9	9	8	8	7	6	5	4	4	3	2	1	1	0
1	9	9	9	9	9	9	9	9	9	8	8	7	6	5	4	4	3	2	1	1	0
2	9	9	9	9	9	9	9	9	9	8	8	7	6	5	4	4	3	2	1	1	0
3	9	9	9	9	9	9	9	9	9	8	8	7	6	5	4	4	3	2	1	1	0
4	9	9	9	9	9	9	9	9	9	8	8	7	6	5	4	4	3	2	1	1	0
5	9	9	9	9	9	9	9	9	9	8	8	7	6	5	4	4	3	2	1	1	0
6	9	9	9	9	9	9	9	9	9	8	8	7	6	5	4	4	3	2	1	1	0
7	9	9	9	9	9	9	9	9	9	8	8	7	6	5	4	4	3	2	1	1	0
8	9	9	9	9	9	9	9	9	9	8	8	7	6	5	4	4	3	2	1	1	0
9	9	9	9	9	9	9	9	9	9	8	8	7	6	5	4	4	3	2	1	1	0
10	9	9	9	9	9	9	9	9	9	8	8	7	6	5	4	4	3	2	1	1	0
11	9	9	9	9	9	9	9	9	9	8	8	7	6	5	4	4	3	2	1	1	0
12	9	9	9	9	9	9	9	9	9	8	8	7	6	5	4	4	3	2	1	1	0
13	9	9	9	9	9	9	9	9	9	8	8	7	6	5	4	3	3	2	1	1	0
14	9	9	9	9	9	9	9	8	8	8	8	7	6	5	4	3	3	2	1	1	0
15	9	9	9	9	9	9	9	8	8	8	8	7	6	5	4	3	3	2	1	1	0
16	9	9	9	9	9	9	9	8	8	8	8	7	6	5	4	3	3	2	1	1	0
17	9	9	9	9	9	9	9	8	8	8	8	7	6	5	4	3	3	2	1	1	0
18	9	9	9	9	9	9	9	8	8	8	8	7	6	5	4	3	3	2	1	1	0
19	9	9	9	9	9	9	9	8	8	8	8	7	6	5	4	3	3	2	1	1	0
20	9	9	9	9	9	9	9	8	8	8	8	7	6	5	4	3	3	2	1	1	0
21	10	10	10	10	10	10	10	10	10	9	9	8	7	6	5	4	3	2	1	1	0
22	10	10	10	10	10	10	10	10	10	9	9	8	7	6	5	4	3	2	1	1	0
23	10	10	10	10	10	10	10	10	10	9	9	8	7	6	5	4	3	2	1	1	0
24	12	12	12	12	12	12	11	11	11	11	10	9	8	7	5	4	3	2	2	1	0
25	12	12	12	12	12	12	11	11	11	10	10	9	8	6	5	4	3	2	2	1	0
26	12	12	12	12	12	12	11	11	11	10	10	9	8	6	5	4	3	2	1	1	0
27	14	13	13	13	13	13	13	12	12	12	11	10	9	7	6	5	4	3	2	1	0
28	14	13	13	13	13	13	13	12	12	12	11	10	8	7	6	5	4	3	2	1	0
29	14	13	13	13	13	13	13	12	12	12	11	10	8	7	6	5	4	3	2	1	0
30	15	15	15	15	14	14	14	14	13	13	12	11	9	8	6	5	4	3	2	1	0
31	15	15	15	15	14	14	14	14	13	13	12	11	9	8	6	5	4	3	2	1	0
32	16	16	16	16	16	16	15	15	14	14	13	12	10	8	7	6	4	3	2	1	0
33	17	16	16	16	16	16	15	15	14	14	13	12	10	8	7	5	4	3	2	1	0
34	18	18	18	17	17	17	17	16	16	15	15	13	11	9	7	6	4	3	2	1	0
35	18	18	18	17	17	17	16	16	15	15	14	13	11	9	7	6	4	3	2	1	0
36	19	19	19	19	19	18	18	17	17	16	16	13	11	10	8	6	5	3	2	1	0
37	20	19	19	19	18	18	18	17	17	16	15	13	11	10	8	6	5	3	2	1	0
38	21	21	20	20	20	20	19	18	18	17	16	14	12	10	8	7	5	3	2	1	0
39	21	21	20	20	20	19	19	18	18	17	16	14	12	10	8	6	5	3	2	1	0



Policy Year

Issue Age	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21+
40	22	22	22	21	21	21	20	19	19	18	17	15	13	11	9	7	5	4	2	1	0
41	23	22	22	22	22	22	21	21	20	19	18	16	13	11	9	7	5	4	2	1	0
42	23	23	23	23	22	22	21	21	20	19	18	16	13	11	9	7	5	4	2	1	0
43	24	24	24	23	23	23	23	22	21	20	19	17	14	12	9	7	5	4	2	1	0
44	25	25	24	24	24	24	23	23	22	21	20	17	15	12	10	8	6	4	2	1	0
45	26	25	25	25	24	24	24	24	23	23	22	19	16	13	11	8	6	4	3	1	0
46	26	26	26	26	25	25	25	24	24	24	23	20	17	14	11	9	6	4	3	1	0
47	27	27	27	26	26	26	25	25	25	24	24	20	17	14	11	9	6	4	3	1	0
48	28	28	28	27	27	26	26	26	25	25	24	21	18	15	12	9	7	5	3	1	0
49	29	29	28	28	28	27	27	26	26	26	25	22	18	15	12	9	7	5	3	1	0
50	30	30	29	29	29	28	28	27	27	26	26	25	24	21	18	15	12	9	6	3	0
51	31	31	30	30	30	29	29	28	28	27	26	26	24	21	18	15	12	9	6	3	0
52	32	32	32	31	31	30	30	29	28	28	27	27	24	21	18	15	12	9	6	3	0
53	34	33	33	32	32	31	31	30	29	29	28	27	24	21	18	15	12	9	6	3	0
54	35	34	34	33	33	32	32	31	30	29	29	27	24	21	18	15	12	9	6	3	0
55	36	36	35	35	34	33	33	32	31	30	30	27	24	21	18	15	12	9	6	3	0
56	38	37	37	36	35	34	34	33	32	31	30	27	24	21	18	15	12	9	6	3	0
57	39	39	38	37	37	36	35	34	33	32	31	28	25	22	19	16	13	10	7	4	0
58	41	40	40	39	38	37	36	34	33	32	31	28	25	22	19	16	13	10	7	4	0
59	43	42	41	40	39	37	36	34	33	32	31	28	25	22	19	16	13	10	7	4	0
60	45	43	42	40	39	37	36	34	33	32	30	27	24	21	18	15	12	9	6	3	0
61	45	43	41	40	38	37	35	34	33	31	30	27	24	21	18	15	12	9	6	3	0
62	45	43	41	40	38	37	35	34	33	31	30	27	24	21	18	15	12	9	6	3	0
63	45	43	41	40	38	37	35	34	32	31	30	27	24	21	18	15	12	9	6	3	0
64	44	43	41	39	38	36	35	34	32	31	30	27	24	21	18	15	12	9	6	3	0
65	44	43	41	39	38	36	35	34	32	31	30	27	24	21	18	15	12	9	6	3	0
66	44	42	41	39	38	36	35	34	32	31	30	27	24	21	18	15	12	9	6	3	0
67	44	42	41	39	38	36	35	33	32	31	30	27	24	21	18	15	12	9	6	3	0
68	44	42	41	39	38	36	35	33	32	30	29	27	24	21	18	15	12	9	6	3	0
69	44	42	40	39	37	36	35	33	32	30	29	27	24	21	18	15	12	9	6	3	0
70	44	42	40	39	37	36	34	33	31	30	29	27	24	21	18	15	12	9	6	3	0
71	43	42	40	39	37	36	34	32	31	29	29	27	24	21	18	15	12	9	6	3	0
72	43	42	40	38	37	35	34	32	31	29	28	26	24	21	18	15	12	9	6	3	0
73	43	42	40	38	37	35	33	32	30	29	28	26	24	21	18	15	12	9	6	3	0
74	43	41	40	38	37	35	33	32	30	29	28	26	24	21	18	15	12	9	6	3	0
75	43	41	40	38	36	35	33	31	30	28	28	26	24	21	18	15	12	9	6	3	0
76	43	41	40	38	36	35	33	31	30	28	28	26	24	21	18	15	12	9	6	3	0
77	43	41	40	38	36	34	33	31	30	28	27	25	23	21	18	15	12	9	6	3	0
78	43	41	39	38	36	34	33	31	29	28	27	25	23	21	18	15	12	9	6	3	0
79	43	41	39	38	36	34	33	31	29	28	27	25	23	21	18	15	12	9	6	3	0
80	43	41	39	38	36	34	32	31	29	27	27	25	23	21	18	15	12	9	6	3	0

## PAYMENT OF CASH VALUE AND LOANS

We may delay paying you the partial or full surrender values of this policy for up to six months after we receive your written request for the surrender. We may delay making a loan to you for up to six months after we receive your written request for the loan. We will not delay any loan made to pay premiums due on any policy.

## POLICY STATEMENTS AND ILLUSTRATIONS

At least once a year, we will send you a statement showing the face amount, accumulation value, cash value, loans, partial surrenders, premiums paid and charges as of the statement date. We will provide you with an illustration of benefits and values at any time if you request it in writing. The first illustration is at no charge to you. We reserve the right to charge you a \$25.00 administrative fee for each subsequent illustration.

## BASIS OF COMPUTATION

The cash values of the policy are not less than the minimum values required by the State in which this policy is delivered. The cash values are based on the guaranteed monthly deduction rates and the guaranteed interest rate. (See the Guaranteed Values section.)

Cash values will always meet or exceed minimum values on the statutory nonforfeiture basis. The basis for the extended term values is the Commissioners 1980 Extended Term Mortality Tables for males and females, age nearest birthday and 5.5% interest. The basis for all other values is the Commissioners 1980 Standard Ordinary Mortality Tables for males and females, age nearest birthday and 5.5% interest. Deaths are assumed to occur at the end of the policy year.

As required, we have filed the method we used to compute minimum cash values and nonforfeiture benefits with the Supervisory Official of the State in which this policy is delivered.

## GENERAL PROVISIONS

**Incontestability of the Policy --** Except for fraud or nonpayment of premiums, this policy will be incontestable after it has been in force during the insured's lifetime for two years from the date of issue. This provision does not apply to any rider providing benefits specifically for disability or death by accident.

**Amount We Pay is Limited in the Event of Suicide --** If the insured dies by suicide, while sane or insane, within two years from the date of issue, we will be liable only for the amount of premiums paid, less any partial surrenders.

**Misstatement of Age or Sex in the Application --** If there is a misstatement of the insured's age or sex in the policy, we will adjust the excess of the death benefit over the accumulation value to that which would be purchased by the most recent monthly deduction at the correct age or sex.

**The Contract Consists of the Policy and Application --** We have issued this policy in consideration of the application and premium payments. A copy of the application is attached and is a part of this policy. The policy and the application together are the entire contract. All statements made by or for the insured will be considered Representations and not Warranties. We will not use any statement made by or for the insured to deny a claim unless the statement is in the application and the application is attached to this policy when we issue it.

**Who Can Make Changes in the Policy --** Only our President or a Vice President together with our Secretary have the authority to make any change in this policy. Any change must be in writing.

**Termination of Insurance --** This policy will terminate at the earliest of:

1. the date of surrender;
2. the policy anniversary nearest the insured's age 95; or
3. the date of lapse.

**No Dividends are Payable --** This is nonparticipating insurance. It does not participate in our profits or surplus. We do not distribute past surplus or recover past losses by changing the monthly deduction rates.

The numbers in the chart show the portion of each Guaranteed Maximum Monthly Deduction Rate that represents cost of insurance and the portion that represents expenses. All figures in the chart are per thousand dollars of excess of death benefit over accumulation value.

**BREAKDOWN OF GUARANTEED MAXIMUM MONTHLY DEDUCTION RATES  
INTO COST OF INSURANCE AND EXPENSE COMPONENTS  
FOR STANDARD LIVES  
MALE SMOKER**

Attained Age	Monthly Deduction Rate	Cost of Insurance Portion	Expense Portion	Attained Age	Monthly Deduction Rate	Cost of Insurance Portion	Expense Portion
0				50	0.83	0.55	0.28
1				51	0.91	0.60	0.31
2				52	0.99	0.66	0.33
3				53	1.08	0.72	0.36
4				54	1.19	0.79	0.40
5				55	1.30	0.87	0.43
6				56	1.43	0.95	0.48
7				57	1.56	1.04	0.52
8				58	1.69	1.13	0.56
9				59	1.84	1.23	0.61
10				60	2.01	1.34	0.67
11				61	2.19	1.46	0.73
12				62	2.39	1.59	0.80
13				63	2.63	1.75	0.88
14				64	2.89	1.92	0.97
15				65	3.17	2.11	1.06
16	0.18	0.12	0.06	66	3.48	2.32	1.16
17	0.20	0.13	0.07	67	3.80	2.53	1.27
18	0.22	0.14	0.08	68	4.14	2.75	1.38
19	0.23	0.15	0.08	69	4.52	3.01	1.51
20	0.23	0.15	0.08	70	4.93	3.29	1.64
21	0.23	0.15	0.08	71	5.41	3.60	1.81
22	0.23	0.15	0.08	72	5.95	3.97	1.98
23	0.23	0.15	0.08	73	6.58	4.38	2.20
24	0.22	0.15	0.07	74	7.27	4.84	2.43
25	0.22	0.14	0.08	75	8.02	5.34	2.68
26	0.21	0.14	0.07	76	8.81	5.87	2.94
27	0.21	0.14	0.07	77	9.64	6.42	3.22
28	0.21	0.14	0.07	78	10.48	6.99	3.49
29	0.21	0.14	0.07	79	11.38	7.58	3.80
30	0.21	0.14	0.07	80	12.35	8.23	4.12
31	0.22	0.14	0.08	81	13.43	8.95	4.48
32	0.22	0.15	0.07	82	14.65	9.77	4.88
33	0.23	0.15	0.08	83	16.03	10.68	5.35
34	0.25	0.16	0.09	84	17.53	11.68	5.85
35	0.26	0.17	0.09	85	19.11	12.74	6.37
36	0.28	0.18	0.10	86	20.76	13.84	6.92
37	0.30	0.20	0.10	87	22.44	14.96	7.48
38	0.32	0.21	0.11	88	24.15	16.10	8.05
39	0.34	0.23	0.11	89	25.91	17.27	8.64
40	0.37	0.25	0.12	90	27.72	18.48	9.24
41	0.41	0.27	0.14	91	29.62	19.74	9.88
42	0.44	0.29	0.15	92	31.68	21.12	10.56
43	0.48	0.32	0.16	93	34.01	22.67	11.34
44	0.52	0.34	0.18	94	36.98	24.55	12.23
45	0.56	0.37	0.19	95	41.24	27.49	13.75
46	0.61	0.41	0.20	96	48.06	32.04	16.02
47	0.66	0.44	0.22	97	60.02	40.01	20.01
48	0.71	0.47	0.24	98	82.24	54.83	27.41
49	0.77	0.51	0.26	99	83.33	83.33	0

The numbers in the chart show the portion of each Guaranteed Maximum Monthly Deduction Rate that represents cost of insurance and the portion that represents expenses. All figures in the chart are per thousand dollars of excess of death benefit over accumulation value.

**BREAKDOWN OF GUARANTEED MAXIMUM MONTHLY DEDUCTION RATES  
INTO COST OF INSURANCE AND EXPENSE COMPONENTS  
FOR STANDARD LIVES  
FEMALE SMOKER**

Attained Age	Monthly Deduction Rate	Cost of Insurance Portion	Expense Portion	Attained Age	Monthly Deduction Rate	Cost of Insurance Portion	Expense Portion
0				50	0.62	0.41	0.21
1				51	0.66	0.44	0.22
2				52	0.71	0.47	0.24
3				53	0.76	0.51	0.25
4				54	0.82	0.55	0.27
5				55	0.88	0.59	0.29
6				56	0.94	0.63	0.31
7				57	1.00	0.66	0.34
8				58	1.05	0.70	0.35
9				59	1.11	0.74	0.37
10				60	1.18	0.78	0.40
11				61	1.26	0.84	0.42
12				62	1.37	0.91	0.46
13				63	1.50	1.00	0.50
14				64	1.65	1.10	0.55
15				65	1.82	1.21	0.61
16	0.11	0.07	0.04	66	2.00	1.33	0.67
17	0.11	0.07	0.04	67	2.17	1.45	0.72
18	0.12	0.08	0.04	68	2.35	1.57	0.78
19	0.12	0.08	0.04	69	2.54	1.69	0.85
20	0.13	0.08	0.05	70	2.76	1.84	0.92
21	0.13	0.08	0.05	71	3.02	2.01	1.01
22	0.13	0.09	0.04	72	3.35	2.23	1.12
23	0.13	0.09	0.04	73	3.76	2.50	1.26
24	0.14	0.09	0.05	74	4.24	2.82	1.42
25	0.14	0.09	0.05	75	4.78	3.18	1.60
26	0.14	0.09	0.05	76	5.37	3.58	1.79
27	0.15	0.10	0.05	77	6.00	4.00	2.00
28	0.15	0.10	0.05	78	6.68	4.45	2.23
29	0.16	0.10	0.06	79	7.41	4.94	2.47
30	0.16	0.11	0.05	80	8.24	5.49	2.75
31	0.17	0.11	0.06	81	9.20	6.13	3.07
32	0.18	0.12	0.06	82	10.30	6.86	3.44
33	0.18	0.12	0.06	83	11.56	7.71	3.85
34	0.19	0.13	0.06	84	12.97	8.65	4.32
35	0.20	0.13	0.07	85	14.51	9.67	4.84
36	0.22	0.14	0.08	86	16.16	10.77	5.39
37	0.23	0.15	0.08	87	17.91	11.94	5.97
38	0.25	0.17	0.08	88	19.77	13.80	6.59
39	0.27	0.18	0.09	89	21.74	14.49	7.25
40	0.30	0.20	0.10	90	23.84	15.89	7.95
41	0.33	0.22	0.11	91	26.10	17.40	8.70
42	0.35	0.23	0.12	92	28.60	19.06	9.54
43	0.38	0.25	0.13	93	31.43	20.95	10.48
44	0.41	0.27	0.14	94	34.91	23.27	11.64
45	0.44	0.29	0.15	95	39.66	26.44	13.22
46	0.47	0.31	0.16	96	46.96	31.31	15.65
47	0.50	0.33	0.17	97	59.37	39.58	19.79
48	0.54	0.36	0.18	98	81.98	54.65	27.33
49	0.57	0.38	0.19	99	83.33	83.33	0

## SETTLEMENT PROVISIONS

When the Insured dies, we will pay the death benefit in a lump sum unless you or the beneficiary choose a settlement option. You may choose a settlement option while the Insured is living. The beneficiary may choose a settlement option after the Insured has died. The beneficiary's right to choose will be subject to any settlement agreement in effect at the Insured's death.

You may also choose one of these options as a method of receiving the surrender or maturity proceeds, if any are available under this policy.

When we receive a satisfactory written request, we will pay the benefit according to one of these options:

**Option A: Instalments for a Guaranteed Period --** We will pay equal instalments for a guaranteed period of from one to thirty years. Each instalment will consist of part benefit and part interest. We will pay the instalments monthly, quarterly, semi-annually or annually, as requested. See Table A on page 17.

**Option B: Instalments for Life with a Guaranteed Period --** We will pay equal monthly instalments as long as the payee is living, but we will not make payments for less than the guaranteed period the payee chooses. The guaranteed period may be either 10 years or 20 years. We will pay the instalments monthly. See Table B on page 17.

**Option C: Benefit Deposited with Interest --** We will hold the benefit on deposit. It will earn interest at the annual interest rate we are paying as of the date of death, surrender or maturity. We will not pay less than 2 1/2% annual interest. We will pay the earned interest monthly, quarterly, semi-annually or annually, as requested. The payee may withdraw part or all of the benefit and earned interest at any time.

**Option D: Instalments of a Selected Amount --** We will pay instalments of a selected amount until we have paid the entire benefit and accumulated interest.

**Option E: Annuity --** We will use the benefit as a single premium to buy an annuity. The annuity may be payable to one or two payees. It may be payable for life with or without a guaranteed period, as requested. The annuity payment will not be less than what our current annuity contracts are then paying.

The payee may arrange any other method of settlement as long as we agree to it. The payee must be an individual receiving payment in his or her own right. There must be at least \$1,000 available for any option and the amount of each instalment to each payee must be at least \$10. If the benefit amount is not enough to meet these requirements, we will pay the benefit in a lump sum.

We will pay the first instalment under any option on the date of death, maturity or surrender, whichever applies. Any unpaid balance we hold under Options A, B or D will earn interest at the rate we are paying at the time of settlement. We will not pay less than 3% annual interest. Any benefit we hold will be combined with our general assets.

If the payee does not live to receive all guaranteed payments under Options A, B, D or E or any amount deposited under Option C, plus any accumulated interest, we will pay the remaining benefit as scheduled to the payee's estate. The payee may name and change a successor payee for any amount we would otherwise pay the payee's estate.



**TABLE A**  
**Instalments for Each \$1,000 Payable under Option A**

Multiply the Monthly Instalment by 11.83896 for Annual, by 5.96322 for Semi-Annual, or by 2.99263 for Quarterly Instalments.					
Guaranteed Period (Yrs.)	Monthly Instalment	Guaranteed Period (Yrs.)	Monthly Instalment	Guaranteed Period (Yrs.)	Monthly Instalment
1	\$84.47	11	\$8.86	21	\$5.32
2	42.86	12	8.24	22	5.15
3	28.99	13	7.71	23	4.99
4	22.06	14	7.26	24	4.84
5	17.91	15	6.87	25	4.71
6	15.14	16	6.53	26	4.59
7	13.16	17	6.23	27	4.48
8	11.68	18	5.96	28	4.37
9	10.53	19	5.73	29	4.27
10	9.61	20	5.51	30	4.18

**TABLE B**  
**Monthly Instalment for Each \$1,000 Payable under Option B**

MALE PAYEE														
Guaranteed Period			Guaranteed Period			Guaranteed Period			Guaranteed Period			Guaranteed Period		
Age 10 Yrs. 20 Yrs.			Age 10 Yrs. 20 Yrs.			Age 10 Yrs. 20 Yrs.			Age 10 Yrs. 20 Yrs.			Age 10 Yrs. 20 Yrs.		
11	\$2.90	\$2.89	26	\$3.20	\$3.19	41	\$3.77	\$3.71	56	\$4.92	\$4.59	71	\$7.27	\$5.42
12	2.91	2.91	27	3.22	3.21	42	3.82	3.76	57	5.03	4.66	72	7.48	5.45
13	2.93	2.92	28	3.25	3.24	43	3.88	3.81	58	5.15	4.73	73	7.68	5.46
14	2.94	2.94	29	3.28	3.27	44	3.94	3.86	59	5.27	4.80	74	7.88	5.48
15	2.96	2.96	30	3.31	3.30	45	4.00	3.91	60	5.40	4.87	75	8.08	5.49
16	2.98	2.97	31	3.34	3.33	46	4.07	3.97	61	5.53	4.94	76	8.27	5.50
17	3.00	2.99	32	3.38	3.36	47	4.14	4.02	62	5.68	5.00	77	8.46	5.50
18	3.01	3.01	33	3.41	3.39	48	4.21	4.08	63	5.83	5.07	78	8.63	5.51
19	3.03	3.03	34	3.45	3.43	49	4.28	4.14	64	5.98	5.13	79	8.79	5.51
20	3.05	3.05	35	3.49	3.46	50	4.36	4.20	65	6.15	5.18	80	8.94	5.51
21	3.08	3.07	36	3.53	3.50	51	4.44	4.26	66	6.32	5.24	81	9.07	5.51
22	3.10	3.09	37	3.57	3.54	52	4.53	4.32	67	6.50	5.28	82	9.18	5.51
23	3.12	3.11	38	3.62	3.58	53	4.62	4.39	68	6.68	5.33	83	9.28	5.51
24	3.14	3.14	39	3.67	3.62	54	4.71	4.46	69	6.88	5.36	84	9.36	5.51
25	3.17	3.16	40	3.72	3.67	55	4.81	4.52	70	7.07	5.40	85	9.42	5.51
FEMALE PAYEE														
Guaranteed Period			Guaranteed Period			Guaranteed Period			Guaranteed Period			Guaranteed Period		
Age 10 Yrs. 20 Yrs.			Age 10 Yrs. 20 Yrs.			Age 10 Yrs. 20 Yrs.			Age 10 Yrs. 20 Yrs.			Age 10 Yrs. 20 Yrs.		
11	\$2.83	\$2.83	26	\$3.08	\$3.07	41	\$3.54	\$3.52	56	\$4.51	\$4.35	71	\$6.73	\$5.36
12	2.84	2.84	27	3.10	3.10	42	3.59	3.56	57	4.61	4.42	72	6.94	5.40
13	2.86	2.85	28	3.12	3.12	43	3.63	3.60	58	4.71	4.50	73	7.16	5.43
14	2.87	2.87	29	3.15	3.14	44	3.68	3.65	59	4.82	4.57	74	7.38	5.45
15	2.88	2.88	30	3.17	3.17	45	3.73	3.69	60	4.94	4.65	75	7.60	5.47
16	2.90	2.90	31	3.20	3.19	46	3.78	3.74	61	5.06	4.72	76	7.82	5.48
17	2.91	2.91	32	3.23	3.22	47	3.84	3.79	62	5.19	4.80	77	8.04	5.49
18	2.93	2.93	33	3.26	3.25	48	3.90	3.85	63	5.33	4.88	78	8.25	5.50
19	2.95	2.94	34	3.29	3.28	49	3.96	3.90	64	5.47	4.95	79	8.45	5.51
20	2.96	2.96	35	3.32	3.31	50	4.03	3.96	65	5.63	5.02	80	8.64	5.51
21	2.98	2.98	36	3.35	3.34	51	4.10	4.02	66	5.79	5.09	81	8.82	5.51
22	3.00	2.99	37	3.39	3.37	52	4.17	4.08	67	5.96	5.15	82	8.97	5.51
23	3.02	3.01	38	3.42	3.41	53	4.25	4.14	68	6.14	5.21	83	9.11	5.51
24	3.04	3.03	39	3.46	3.44	54	4.33	4.21	69	6.33	5.27	84	9.23	5.51
25	3.06	3.05	40	3.50	3.48	55	4.42	4.28	70	6.53	5.32	85	9.32	5.51

Ages younger than 11 are the same as shown for age 11, and ages older than 85 are the same as shown for age 85.





Transamerica Occidental  
Life Insurance Company  
Home Office: Los Angeles, CA

POLICY FORM SRUL-(  
Individual Life Insurance

1

INSURED SHIRLEY

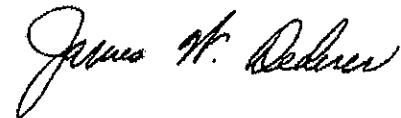
92492271 POLICY NUMBER

FACE AMOUNT \$1,666,667

NOV 10 1994 DATE OF ISSUE

While this policy is in force, Transamerica Occidental Life Insurance Company will pay the death benefit to the beneficiary if the Insured dies before the policy anniversary nearest the Insured's age 100, or will pay the net cash value to the owner on the policy anniversary nearest the Insured's age 100 if the Insured is living on that date. All payments are subject to the provisions of this policy.

Signed for the Company at Los Angeles, California, on the date of issue.



EXECUTIVE VICE PRESIDENT, GENERAL COUNSEL  
AND CORPORATE SECRETARY



PRESIDENT

Right to Examine and Return Policy Within 10 Days -- At any time within 10 days after you receive this policy, you may return it to us or the agent through whom you bought it. We will cancel the policy and void it from the beginning. We will refund to you any premiums paid.

Adjustable Life Insurance  
Flexible Premiums Payable During  
Life of Insured to Age 100

Death Benefit Payable at Death of  
Insured Before Age 100  
Net Cash Value Payable at  
Insured's Age 100

Nonparticipating - No Annual Dividends

THE BENEFITS, VALUES OR PREMIUMS

ARE ON A VARIABLE BASIS

P O L I C Y   D A T A

CLASS A LOAN INTEREST RATE 5.21% IN ADVANCE JUL 15 1994 POLICY DATE  
CLASS B LOAN INTEREST RATE 7.40% IN ADVANCE 6.00% REINSTATEMENT INTEREST RATE  
INSURED 74 AGE OF INSURED  
92492271 POLICY NUMBER

FACE AMOUNT \$1,666,667 NOV 10 1994 DATE OF ISSUE  
DEATH BENEFIT OPTION OPTION 1 PREFERRED CLASS OF RISK  
OWNER F NON-SMOKER  
TRUST DATED JUNE 4, 1993. ✓

THE CHARGE FOR ANY ADDITIONAL BENEFITS WHICH ARE PROVIDED BY RIDER IS SHOWN BELOW. ONLY A BRIEF DESCRIPTION IS GIVEN. THE COMPLETE PROVISIONS ARE INCLUDED IN THE RIDER.

RIDER NUMBER	SCHEDULE OF ADDITIONAL BENEFITS	ANNUAL PREMIUM
NONE		NO CHARGE

PLANNED PERIODIC PREMIUMS: \$46,735.00 ANNUAL  
REQUIRED PREMIUM PER YEAR IN POLICY YEARS 1-10: \$46,735.00  
PREMIUM QUALIFICATION CREDIT PERIOD: 10 YEARS  
PREMIUM QUALIFICATION CREDIT PERCENTAGE: 2 %

GUARANTEED MONTHLY POLICY FEE: POLICY YEAR 1 - \$4.00  
POLICY YEARS 2 AND LATER - NOT TO EXCEED \$10.

GUARANTEED MONTHLY EXPENSE CHARGE: POLICY YEARS 1 - 10 - \$0.00  
POLICY YEARS 11 AND LATER - SEE PAGE 3

P O L I C Y   D A T A   ( C O N T I N U E D )

NOTE: THIS POLICY MAY TERMINATE PRIOR TO THE INSURED'S AGE 100 IF:  
(1) THE ACCUMULATION VALUE MINUS ANY LOAN(S) IS LESS THAN THE MONTHLY DEDUCTION DUE, OR  
(2) THE REQUIRED PREMIUMS IN THE FIRST 10 YEARS ARE NOT PAID.

P O L I C Y   D A T A   ( C O N T I N U E D )

TABLE OF ANNUALIZED GUARANTEED MONTHLY DEDUCTION RATES PER \$1,000 \*

POLICY YEAR BEGINNING	POLICY EXCLUDING RIDERS	POLICY YEAR BEGINNING	POLICY EXCLUDING RIDERS
JUL 15 1994	\$23.67	JUL 15 2007	\$142.71
JUL 15 1995	23.67	JUL 15 2008	157.61
JUL 15 1996	23.67	JUL 15 2009	173.51
JUL 15 1997	23.67	JUL 15 2010	190.39
JUL 15 1998	23.67	JUL 15 2011	208.58
JUL 15 1999	23.67	JUL 15 2012	228.60
JUL 15 2000	23.67	JUL 15 2013	251.40
JUL 15 2001	23.67	JUL 15 2014	279.31
JUL 15 2002	23.67	JUL 15 2015	317.32
JUL 15 2003	23.67	JUL 15 2016	375.74
JUL 15 2004	103.03	JUL 15 2017	474.97
JUL 15 2005	115.38	JUL 15 2018	655.85
JUL 15 2006	128.58		

\* TO FIND THE AMOUNT OF MONTHLY DEDUCTION DURING EACH POLICY YEAR, SEE THE GUARANTEED VALUES SECTION. A POLICY FEE OF \$4.00 WILL BE ADDED INTO EACH MONTHLY DEDUCTION FOR THE FIRST POLICY YEAR. IN SUBSEQUENT YEARS THE POLICY FEE WILL NOT EXCEED \$10.00. A MONTHLY EXPENSE CHARGE WILL ALSO BE ADDED TO EACH MONTHLY DEDUCTION BEGINNING IN POLICY YEAR 11.

TO DETERMINE THE EQUIVALENT MONTHLY DEDUCTION RATES, DIVIDE THE ANNUALIZED MONTHLY DEDUCTION RATES SHOWN ABOVE BY 12.

TABLE OF POLICY VALUES AND BENEFITS

ILLUSTRATIVE PREMIUMS (1)  
 GUARANTEED BASIS (2)

END OF POLICY YEAR	PLANNED ANNUALIZED PREMIUM	DEATH BENEFIT	ACCUMULATION VALUE(3)	CASH VALUE (4)
1	\$46,735.00	\$1,666,667		
2	46,735.00	1,666,667	\$6,707	\$0
3	46,735.00	1,666,667	14,820	0
4	46,735.00	1,666,667	23,534	0
5	46,735.00	1,666,667	32,896	0
6	46,735.00	1,666,667	42,952	0
7	46,735.00	1,666,667	53,755	5,421
8	46,735.00	1,666,667	65,359	27,025
9	46,735.00	1,666,667	77,824	52,824
10	46,735.00	1,666,667	91,214	77,881
11	46,735.00	1,666,667	105,598	105,598
12	0.00	0	0	0
13	0.00	0	0	0
14	0.00	0	0	0
15	0.00	0	0	0
16	0.00	0	0	0
17	0.00	0	0	0
18	0.00	0	0	0
19	0.00	0	0	0
20	0.00	0	0	0

- 
- (1) THE ACCUMULATION AND CASH VALUES RESULT FROM THE INTEREST RATES, MONTHLY DEDUCTIONS, PREMIUM QUALIFICATION CREDITS AND THE TIMELY PAYMENT OF THE PLANNED ANNUALIZED PREMIUMS. PARTIAL SURRENDERS, SURRENDER-PENALTY-FREE WITHDRAWALS OR LOANS MAY CHANGE THESE RESULTS.
  - (2) RESULTS CALCULATED ON A GUARANTEED BASIS REFLECT GUARANTEED MONTHLY DEDUCTION RATES AND THE CUMULATIVE GUARANTEED INTEREST RATE OF 5.00%.
  - (3) ACCUMULATION VALUES ILLUSTRATED ON A GUARANTEED BASIS REFLECT ACCUMULATED NET PREMIUMS AND PREMIUM QUALIFICATION CREDIT AMOUNTS PLUS ACCRUED INTEREST AT THE CUMULATIVE GUARANTEED INTEREST RATE LESS ACCRUED GUARANTEED MAXIMUM MONTHLY DEDUCTIONS WHICH INCLUDE THE POLICY FEE, THE MONTHLY EXPENSE CHARGE AND THE COST OF ANY RIDERS. WHILE A POLICY LOAN(S) EXISTS, THE INTEREST RATE APPLICABLE TO THE ACCUMULATION VALUE SECURING THE LOAN(S) MAY DIFFER FROM THE INTEREST RATE APPLICABLE TO THE ACCUMULATION VALUE NOT SECURING THE LOAN(S).

(4) THE DIFFERENCE BETWEEN THE ACCUMULATION VALUE AND THE CASH VALUE IS THE SURRENDER PENALTY.

CURRENT MONTHLY DEDUCTION RATES AND MONTHLY EXPENSE CHARGES ARE NOT GUARANTEED AFTER POLICY YEAR 10, NOR ARE THEY ESTIMATES FOR THE FUTURE. POLICY FEES NOT GUARANTEED AFTER THE FIRST POLICY YEAR, NOR ARE THEY ESTIMATES FOR THE FUTURE.

PREMIUMS ARE SUBJECT TO REFUND UNDER CONDITIONS DESCRIBED IN THE POLICY.

**MAXIMUM GUARANTEED ANNUALIZED MONTHLY EXPENSE CHARGES  
PER THOUSAND OF FACE AMOUNT**

**POLICY YEARS 1-10**

ISSUE AGE	NON-SMOKER	SMOKER	ISSUE AGE	NON-SMOKER	SMOKER
45-64	0	0	65-80	0	0

**POLICY YEARS 11 AND LATER**

ISSUE AGE	NON-SMOKER	SMOKER	ISSUE AGE	NON-SMOKER	SMOKER
45	.48	2.13	65	10.73	18.22
46	.59	2.71	66	11.39	18.54
47	.74	3.36	67	13.38	21.68
48	.92	4.05	68	15.62	25.09
49	1.14	4.81	69	18.10	28.65
50	1.21	5.15	70	20.86	32.15
51	1.28	5.49	71	23.77	35.14
52	1.59	6.26	72	27.07	37.13
53	1.98	7.04	73	30.62	37.51
54	2.43	7.46	74	34.38	37.89
55	2.62	7.88	75	38.13	38.13
56	2.81	8.31	76	42.57	42.57
57	3.49	8.75	77	47.63	47.63
58	4.29	9.87	78	50.12	50.12
59	5.24	11.22	79	53.89	53.89
60	5.68	11.37	80	56.76	56.76
61	6.07	11.54			
62	7.37	13.34			
63	8.83	15.47			
64	10.49	17.98			

TO DETERMINE THE EQUIVALENT MONTHLY EXPENSE CHARGES, DIVIDE THE ANNUALIZED MONTHLY EXPENSE CHARGES SHOWN ABOVE BY 12.



#### DEFINITIONS

**We, our or us** means Transamerica Occidental Life Insurance Company.

**You and your** means the Owner of this policy.

**Accumulation Value** is the policy's total value as described in the Accumulation Values section.

**Age** means the Insured's age on the nearest birthday.

**The Beneficiary** is the person to whom we will pay the death benefit if the Insured dies.

**Cash Value** means the accumulation value as described in the Accumulation Values section, less any surrender penalty.

**Home Office** means Transamerica Occidental Life Insurance Company, Box 2101, Los Angeles, California, 90051-0101.

**Lapse** means termination of the policy at the end of the Grace Period due to insufficient premium or accumulation value. If there is remaining net cash value at the end of the Grace Period, it will be applied to the Nonforfeiture Option.

**A Policy Loan** is indebtedness to us for a loan secured by this policy.

**The Maturity Date** is the policy anniversary nearest the Insured's age 100.

**The Maximum Loan Value** is the largest amount you may borrow under the loan provisions.

**A Monthly Deduction** is an amount we withdraw from the accumulation value on the monthly policy date.

**The Monthly Deduction** is equal to

- (a) the monthly deduction rate, times .001, times the difference between the death benefit and the accumulation value at the beginning of the policy year,
- plus (b) the monthly deduction for any riders,
- plus (c) the policy fee as shown in the Policy Data.
- plus (d) the monthly expense charge per thousand of face amount as shown on page 3, times .001, times the face amount.

**A Net Premium** is 96% of any premium you pay.

**Reinstate** means to restore coverage after the policy has lapsed.

**The Required Premium Per Year** is the minimum amount of premium you must pay in each of the first ten policy years.

**A rider** is an attachment to the policy that provides an additional benefit.

**Written Request** means a signed request in a form satisfactory to us that is received at our Home Office.

We will send any notice under the provisions of this policy to your last known address and to any assignee of record.

We will use the Policy Date shown in the policy data to determine the monthly dates, policy anniversaries and policy years.

#### OWNERSHIP

**Owner of the Policy** -- Only you, the Owner, are entitled to the rights granted under this policy while the Insured is living. If you are an individual and you die before the Insured, your rights will pass to the executor or administrator of your estate for disposition unless stated otherwise in this policy. If the Owner is a partnership, the rights belong to the partnership as it exists when a right is exercised.

**Assignment of the Policy** -- We are not responsible for the adequacy of any assignment. However, if you file the assignment with us and we record it at our Home Office, your rights and those of any revocable beneficiary will be subject to it.

## THE BENEFICIARY

**Who Receives the Death Benefit --** When the Insured dies, we will pay the death benefit to the beneficiary. The beneficiary is as designated in the application, unless changed as shown under "How to Change a Beneficiary" below. If the beneficiary is a partnership, we will pay the death benefit to the partnership as it existed when the Insured died.

**Protection of the Death Benefit --** To the extent permitted by law, no death benefit will be subject to the claims of the beneficiary's creditors or to any legal process against the beneficiary.

**If the Beneficiary Dies --** If any beneficiary dies before the Insured, that beneficiary's interest in the death benefit will end. If any beneficiary dies at the same time as the Insured, or within 30 days after the Insured, that beneficiary's interest in the death benefit will end if no benefits have been paid to that beneficiary. If the interest of all designated beneficiaries has ended when the Insured dies, we will pay the death benefit to you. If you are not living at that time, we will pay the death benefit to the executor or administrator of your estate.

**How to Change a Beneficiary --** You may change the designated beneficiary by sending a satisfactory written notice to us. The change will not be effective until we record it at our Home Office. Even if the Insured is not living when we record the change, the change will take effect as of the date it was signed. However, any benefits we pay before we record the change will not be subject to the change.

A beneficiary designated irrevocably may not be changed without the written consent of that beneficiary.

## PAYMENT OF THE DEATH BENEFIT

**Proof of Death --** We will pay any benefit payable because of death when we receive due proof of the Insured's death. The proof must be sent to us at our Home Office. We will send appropriate forms to the beneficiary upon request. Any of our agents will help the beneficiary fill out the forms without charge. We will send all payments from our Home Office.

**Death Benefit --** The amount of the death benefit may be affected by other policy provisions, such as Policy Loans, Misstatement of Age or Sex, or Partial Surrenders.

**Death Benefit Option --** The death benefit will be based on whether you have chosen Option I or Option II, shown on page 2 of the Policy Data.

**Option I:** The death benefit will be the greater of:

- (a) the face amount plus the net increase, if any, the accumulation value from the last policy anniversary to the date of the Insured's death; or
- (b) the death benefit factor times the accumulation value as of the date of the Insured's death.

**Option II:** The death benefit will be the greater of:

- (a) the face amount plus the accumulation value as of the date of the Insured's death; or
- (b) the death benefit factor times the accumulation value as of the date of the Insured's death.

In no event will the amount of death benefit be less than the amount needed to continue to qualify the policy as a life insurance contract under Section 7702 of the Internal Revenue Code, as such section is in effect at the time this policy is issued and the regulations thereunder.

We will reduce the death benefit by any existing policy loans, by the portion of the grace period premium necessary to provide insurance to the date of the Insured's death, and by the pro rata portion of the monthly deduction for the period from the last monthly date to the date of death.

The net increase in accumulation value is equal to:

- (a) the sum of all net premiums less any refunds,
- plus (b) accrued interest from the last policy anniversary to the date of death,
- plus (c) any Premium Qualification Credits,
- minus (d) the sum of accrued monthly deductions from the last policy anniversary to the date of death,
- minus (e) the sum of Partial Surrender amounts, Partial Surrender penalties, and Surrender-Penalty-Free Withdrawal amounts.

(See Accumulation Values in the Guaranteed Values section for details).

#8648

## DEATH BENEFIT FACTORS

Insured's Attained Age	Female Insured Policy Years 1-10	Insured's Attained Age	Female Insured Policy Years 1-10	Insured's Attained Age	Female Insured Policy Years 11 and later	Insured's Attained Age	Female Insured Policy Years 11 and later
45	5.50	75	1.98	55	3.51	85	1.34
46	5.30	76	1.91	56	3.38	86	1.31
47	5.10	77	1.86	57	3.25	87	1.29
48	4.91	78	1.81	58	3.12	88	1.27
49	4.72	79	1.77	59	3.01	89	1.25
50	4.54	80	1.73	60	2.89	90	1.23
51	4.37	81	1.69	61	2.78	91	1.21
52	4.20	82	1.64	62	2.68	92	1.19
53	4.04	83	1.60	63	2.58	93	1.18
54	3.88	84	1.55	64	2.48	94	1.16
55	3.74	85	1.50	65	2.39	95	1.14
56	3.60	86	1.45	66	2.31	96	1.12
57	3.46	87	1.40	67	2.23	97	1.10
58	3.34	88	1.34	68	2.15	98	1.08
59	3.22	89	1.29	69	2.08	99	1.06
60	3.10			70	2.01	100	1.00
61	2.99			71	1.94		
62	2.88			72	1.88		
63	2.79			73	1.82		
64	2.69			74	1.76		
65	2.61			75	1.71		
66	2.52			76	1.66		
67	2.45			77	1.62		
68	2.38			78	1.57		
69	2.31			79	1.53		
70	2.24			80	1.49		
71	2.18			81	1.46		
72	2.13			82	1.42		
73	2.07			83	1.39		
74	2.02			84	1.36		

# DEATH BENEFIT FACTORS

Insured's Attained Age	Male Insured Policy Years 1-10	Insured's Attained Age	Male Insured Policy Years 1-10	Insured's Attained Age	Male Insured Policy Years 11 and later	Insured's Attained Age	Male Insured Policy Years 11 and later
45	4.75	75	1.81	55	2.99	85	1.29
46	4.56	76	1.76	56	2.88	86	1.27
47	4.38	77	1.71	57	2.77	87	1.26
48	4.21	78	1.67	58	2.67	88	1.24
49	4.04	79	1.63	59	2.57	89	1.23
50	3.89	80	1.60	60	2.48	90	1.21
51	3.74	81	1.57	61	2.39	91	1.20
52	3.60	82	1.54	62	2.31	92	1.19
53	3.47	83	1.51	63	2.23	93	1.17
54	3.35	84	1.48	64	2.15	94	1.15
55	3.23	85	1.44	65	2.08	95	1.14
56	3.12	86	1.40	66	2.02	96	1.12
57	3.02	87	1.36	67	1.95	97	1.10
58	2.92	88	1.31	68	1.89	98	1.08
59	2.82	89	1.26	69	1.84	99	1.06
60	2.74			70	1.79	100	1.00
61	2.65			71	1.74		
62	2.57			72	1.69		
63	2.50			73	1.64		
64	2.42			74	1.60		
65	2.35			75	1.56		
66	2.29			76	1.53		
67	2.23			77	1.50		
68	2.17			78	1.46		
69	2.11			79	1.44		
70	2.05			80	1.41		
71	2.00			81	1.38		
72	1.95			82	1.36		
73	1.90			83	1.33		
74	1.85			84	1.31		

### PAYMENT OF PREMIUMS

We will accept any amount you send us as a premium payment while this policy is in force, subject to the Premium Limitation provision and these conditions:

1. You may send premiums to our Home Office or you may pay them to an agent or cashier we authorize. We will give you a receipt if you ask for one.
2. You must pay the Required Premium Per Year for the first 10 policy years. These premiums may be paid cumulatively in advance. At the end of each of the first 10 policy years, we will calculate the cumulative total of all premiums paid, less any Partial Surrenders and Surrender-Penalty-Free Withdrawals. We will divide this total by the number of years since the policy date. This amount must equal or exceed the Required Premium Per Year for each year in the required premium period or your policy will enter the Grace Period. (See page 2 of the policy data.) If your policy enters the Grace Period (see the Grace Period provision on page 9) and there is any net cash value remaining at the end of the Grace Period, we will apply it to the Nonforfeiture Option. (See Nonforfeiture Options provision on page 13.) If there is no net cash value remaining at the end of the Grace Period, your policy will lapse.
3. You may pay premiums at any time. Each premium must be at least \$25 and may not exceed the limits described in the Premium Limitation provision on this page. All net premium payments will become part of the Accumulation Value.

**Premium Limitation --** We reserve the right to refund any unscheduled premium during a particular policy year if the total premium paid:

- (a) increases the difference between the death benefit and the accumulation value, and
- (b) is more than \$20 per thousand of face amount and more than three times the total of the monthly deductions for the last year.

We also reserve the right to refund any unscheduled premiums that exceed \$25,000 in any 12-month period.

After the first policy year and before the tenth policy year, we reserve the right to refund any unscheduled premium that would cause the total premium paid in any one of those policy years to exceed three times the Required Premium Per Year. Beginning with the eleventh policy year, we reserve the right to refund any unscheduled premium that would cause the total premium paid in any one policy year to exceed two times the Required Premium Per Year. The Required Premium Per Year is shown on page 2 of the policy data. We will not refund any premium if that premium would cause the accumulation value minus any loan to be less than the monthly deduction due.

We will not refund any amount if doing so would cause your policy to enter the Grace Period before the next anniversary.

As of the end of any policy year, if the premiums paid exceed the amount allowable if this policy is to continue to qualify as a life insurance contract under Section 7702 of the Internal Revenue Code, as such Section in effect at the time this policy is issued, and the regulations thereunder, we will remove the excess amount of premiums paid from the policy, with interest, as of the end of that policy year. We will refund to you this excess amount (including interest) within 60 days after the end of that policy year.

Such an excess amount could occur, for example, as a result of a Partial Surrender or other change in the benefits or terms of the policy, since the premium amount allowable for the policy may be reduced.

The amount refundable will not exceed the net cash value of the policy. If the entire net cash value is refunded, we will treat the transaction as a full surrender of your policy.



**Continuation of Insurance** -- Between premium payments we automatically continue your policy at the same face amount and with any additional benefits provided by rider, subject to the Grace Period provision below. Refer to the Monthly Deduction section for further explanation.

**Grace Period** -- A Grace Period is a period of 31 days after (a) a monthly date when the accumulation value minus any existing loan is less than the monthly deduction due, or (b) a policy anniversary on which the cumulative Required Premium Per Year has not been paid during the first 10 policy years. (See Payment of Premiums provision number 2 on page 8.) We will notify you that the Grace Period has begun and that you must pay a premium large enough to keep the policy in force before the 31 days are up. If you do not pay enough premium, and there is no net cash value, your policy will lapse. If there is any net cash value remaining at the end of the Grace Period, we will apply it to the Nonforfeiture Option. (See Nonforfeiture Options provision on page 13).

Since a monthly deduction is made on each monthly date for the prior month, and a nominal 31-day grace period is provided after that monthly date, there will always be at least a 62-day effective grace period for payment of overdue premiums.

During the grace period, we will not charge interest on the premium due. If the Insured dies during the grace period and before you pay the premium we will subtract from the death benefit the cost of coverage to the date the Insured died.

**Premium Qualification Credit** -- At the end of each policy year during the required premium period, we will calculate your total premium payments as described under Payment of Premiums provision number 2. If the total equals or exceeds the required amount, we will deposit a Premium Qualification Credit to your policy's accumulation value at the beginning of the next policy year.

The amount of the credit will be a specific percentage of the Required Annual Premium shown on page 2 of the policy data.

We must receive enough premium to qualify for the credit by your policy's anniversary, or you will not receive the credit for that policy year. You may still qualify for the credit in any future years in the qualification period.

The Premium Qualification Credit Period and the Premium Qualification Credit Percentage are shown on page 2 of the policy data.

**Reinstatement of Lapsed Policy** -- If this policy lapses, it may be reinstated provided it was not surrendered. To reinstate the policy, you must meet the following conditions:

1. You must request reinstatement in writing within three years after the date of lapse and before the Maturity Date.
2. The Insured must still be insurable by our standards.
3. If any loans existed when the policy lapsed, you must repay or reinstate them with interest compounded annually from the date of lapse at the interest rate of 5.5% for a Class A loan, and 8.0% for a Class B loan.
4. The reinstated policy will be subject to the minimum premium requirement during the first 10 policy years. (See page 2 of Policy Data and Payment of Premiums provision, number 2.) If the policy lapsed during one of the first 10 policy years and is reinstated in a different policy year, you must pay a premium large enough to meet the minimum premium requirement at the time of reinstatement, with interest compounded annually at the reinstatement interest rate of 6%. If the policy lapsed after the tenth policy year, or if it lapsed in one of the first 10 policy years and is reinstated in the same policy year, you must pay a premium large enough to cover two monthly deductions due when the policy lapsed and three monthly deductions due when the policy is reinstated.
5. If you reinstate the policy during the first 10 policy years, you must repay any net cash value given to you at the time of lapse, with interest compounded annually at the reinstatement interest rate of 6%.

The Accumulation Value of the reinstated policy will be: the surrender penalty at the time of lapse; plus any net cash value we paid you at the time of lapse; plus any loan reinstated; plus 96% of any premium you pay at reinstatement; minus any monthly deductions due at the time of lapse.

The effective date of a reinstatement will be the date of your request. If a person other than the Insured is covered by an attached rider, his or her coverage will be reinstated under the terms of this provision.

## **GUARANTEED VALUES**

**Accumulation Values** -- The accumulation value on any specified date on or before the first policy anniversary is equal to:

1. All net premiums paid less any refunds since issue, plus accrued interest from the date each premium is received in the Home Office to the specified date.
- minus 2. All monthly deductions charged since issue, plus accrued interest from each monthly date to the specified date.
- minus 3. Any partial surrenders since issue, plus accrued interest from each partial surrender date to the specified date.

The accumulation value on any specified date after the first policy anniversary is equal to:

1. The accumulation value on the last policy anniversary plus accrued interest from the last policy anniversary to the specified date.
- plus 2. Any Premium Qualification Credit amounts deposited in the accumulation value since the last policy anniversary, plus accrued interest from the beginning of the year to the specified date.
- plus 3. All net premiums paid less any refunds since the last policy anniversary, plus accrued interest from the date each premium is received in the Home Office to the specified date.
- minus 4. All monthly deductions charged since the last policy anniversary, plus accrued interest from each monthly date to the specified date.
- minus 5. Any partial surrenders and Surrender-Penalty-Free Withdrawals including partial surrender penalties since the last policy anniversary, plus accrued interest from each partial surrender or withdrawal date to the specified date.

A Table of Policy Values is included in this policy. It is based on the information you gave us when the policy was issued. The values shown may change as the declared interest rates, your premium payments, and other factors change from the illustrated data. Every year we will send you a statement of actual policy values.

**Guaranteed Interest Rates** -- The net premium accrues simple interest from the date we receive it in the Home Office. Interest is credited annually on each policy anniversary.

We guarantee that your accumulation value on any policy anniversary will be at least equal to what it would have been if the credited interest rate had always been 5%. The minimum interest rate we credit at any one time will never be less than 4%.

We may declare a higher interest rate than the guaranteed minimum rate at any time. Each rate we declare replaces the guaranteed minimum rate until we declare a different one.

The interest rate for any portion of the accumulation value equal to the amount of any policy loan will be at the effective annual loan interest rate less 0% for Class A loans, and less 2.5% for Class B loans.

**Monthly Deduction Rates** -- We will determine the monthly deduction rate for each policy year at the beginning of that year. We will use the Insured's ages as of that policy year.

A Table of Annualized Guaranteed Monthly Deduction Rates is in the policy data. We may use rates lower than these annualized guaranteed monthly deduction rates. We will never use higher rates.

A Table of Maximum Guaranteed Annualized Monthly Expense Charges is on page 3. We may use expense charges lower than these maximum guaranteed annualized monthly expense charges. We will never use higher expense charges.



**Monthly Deduction** -- At the end of each policy month, we will take the monthly deduction for the prior month from the accumulation value.

The Monthly Deduction is equal to

- (a) the monthly deduction rate, times .001, times the difference between the death benefit and the accumulation value at the beginning of the policy year,
- plus (b) the monthly deduction for any riders,
- plus (c) the policy fee as shown in the Policy Data,
- plus (d) the monthly expense deduction. This is the monthly expense charge per thousand of face amount as described on page 3, times .001, times the face amount.

#### CASH VALUE

You may borrow the cash value, or take it as a partial or full surrender of the policy. All of these transactions are described in this section. We guarantee that the cash value always equals or exceeds the amount required by the law in effect at the time of issue in the state in which this policy is delivered.

**Policy Loans** -- If you request a policy loan in the first ten policy years, we will handle it as a Class B loan.

After the tenth policy year, we will handle one loan request per year as a Class A loan, subject to the limitation shown under Class A Policy Loan.

After the tenth policy year, we will treat any amount over the limitation in a Class A loan, and any loan request after the first in a policy year, as a Class B loan.

**Class A Policy Loans** -- After the tenth policy anniversary, we will make a loan subject to the following conditions:

1. The loan will only be allowed one time during policy year.
2. The maximum amount allowed as a Class A loan in any one policy year will be the lesser of 10% of the current accumulation value as of the request date and the maximum loan amount, as described in number 3 below.
3. The maximum loan amount is the accumulation value as of the date of the loan request, minus
  - a. any existing loan(s);
  - b. interest on the amount of the loan to the end of the policy year; and
  - c. the full surrender penalty or three monthly deductions, whichever is greater.
4. You must pay interest on the total loan balance each year in advance, on the policy anniversary. The annual effective loan interest rate is 5.5% (5.21% in advance). If you do not pay the interest when it is due, we will add the amount of interest to the loan. We will charge interest on this amount at the same interest rate being charged on the loan.
5. You must assign the policy to us to the extent of the outstanding loan. If the Insured dies, we will deduct the outstanding loan from the death benefit before we pay the death benefit to the beneficiary.
6. The loan will be secured by that portion of the accumulation value equal to the amount of the loan.

**Class B Policy Loans** -- We will make a loan subject to the following conditions:

1. The maximum amount allowed as a Class B loan is the accumulation value as of the date of the loan request, minus
  - a. any existing loan(s);
  - b. interest on the amount of the loan to the end of the policy year; and
  - c. the full surrender penalty or three monthly deductions, whichever is greater.

2. You must pay interest on the total loan balance (including interest) on the policy anniversary. The annual effective loan interest rate is 8.0% (7.4% in advance). If you do not pay the interest when it is due, we will add the amount of interest to the loan. We will charge interest on this amount at the same interest rate being charged on the loan.

**Loan Repayment --** You may repay any part of a loan at any time while the Insured is living and before the Maturity Date.

Loan Repayments will first be applied to any outstanding Class B loans and then to any outstanding Class A loans. Within the Class A and B loan categories, the repayments will be applied first to loans with the most recent loan dates.

If the policy loan interest due is not paid in cash by you, a new loan of the same class (A or B) will be created to cover the interest. The new loan will have the same interest rate as the loan to which it is added (Class A or B). Any loan interest paid will first apply to Class B loans, then to Class A Loans.

The partial surrender penalty is the greater of:

The proportionate full surrender penalty may be calculated as follows:

a = full surrender penalty per 1,000 of face amount

The proportionate full surrender penalty =

In any policy year, the maximum amount that you may request and receive by Partial Surrender is:

If you ask for an amount larger than the maximum described above, we will treat it as a request for a full surrender of the policy.

**Surrender-Penalty-Free Withdrawal** -- At any time after the first policy year you may make a withdrawal without incurring a partial surrender penalty, within the limits outlined below.

The minimum amount of a Surrender Penalty-Free Withdrawal is \$100.

When you request a partial surrender in the second or later policy year we will calculate the amount eligible for surrender without penalty. This amount will be the lesser of:

- (a) 10% of the policy's current accumulation value, minus the sum of all Surrender-Penalty-free withdrawals since the last policy anniversary, or
- (b) the maximum amount available as a partial surrender described on page 12.

During the first ten policy years the sum of all Surrender-Penalty-Free Withdrawals and Partial Surrenders may not exceed the sum of all premiums paid less the sum of all required premiums since the policy date. (See Payment of Premium provision Number 2 on page 8.)

We will process a Surrender-Penalty-Free Withdrawal for the eligible amount. The remainder of any amount you request will be processed as a partial surrender.

We will deduct the withdrawal amount you request from the policy's accumulation value.

**Nonforfeiture Options** -- You may continue or surrender the policy under one of the following options:

**Option 1. Paid-Up Life** -- You may exchange this policy for a single premium paid up whole life policy. These conditions will apply:

- (a) The policy must be in force when you request the change.
- (b) You will surrender all rights under this policy in exchange for the paid-up policy.
- (c) We will calculate the face amount of the paid-up policy in this way: the net cash value divided by the net single premium at the Insured's attained age equals the paid-up face amount.

**Evidence of Insurability** -- When you request this option, we will calculate the difference between the amount of paid-up insurance and the total net single premium. We will compare that amount to the difference between the death benefit and the accumulation value under this policy on the date you choose this option. If the difference between the amount of paid-up insurance and the total net single premium is greater than the difference between the death benefit and the accumulation value, the Insured must give us satisfactory evidence of insurability. We calculate the total net single premium by taking the face amount of the paid-up policy and multiplying it by the net single premium per thousand.

If the Insured does not send us satisfactory evidence of insurability, we will reduce the amount of paid-up insurance accordingly. If there is any net cash value left over after you purchase the paid-up insurance, we will refund it to you.

- (d) We will issue and date the paid-up policy as of the date you surrender this policy.
- (e) The premiums we use for the single premium paid-up insurance will be those in effect as of the date you request the change. They will never be greater than the rates shown in the Table of Maximum Net Single Premiums for Paid-Up Insurance on page 20.
- (f) There is a Table of Paid-Up Insurance per Thousand of Net Cash Value on page 19.
- (g) The paid-up insurance will have cash values. If you surrender any paid-up insurance within 30 days of a policy anniversary, the cash value of the insurance will not be less than the cash value on that anniversary.

**Option 2. Full Surrender** -- You may surrender the policy for its net cash value. The net cash value on the date of your request is the accumulation value minus the surrender penalty and any existing loans. We will also deduct a pro rata monthly deduction for the coverage from the last monthly date to the date of surrender.

There is a Table of Surrender Penalties on page 15. We will use the factors in the table to determine the surrender penalty we will apply. To calculate the full surrender penalty, find the factor for the Insured's issue age and the current policy year. Multiply this factor by the number of thousands of face amount of the policy. This is the full surrender penalty. There is no surrender penalty after 10 policy years.

If you request a full surrender within 30 days of a policy anniversary, the surrender value will not be less than the surrender value on that anniversary, less any loans, partial surrenders (including any partial surrender penalties that exceed the pro-rata surrender penalty), and surrender-penalty-free withdrawals made after the last policy anniversary.

#### RETIREMENT INCOME OPTION

At any time after the later of the tenth policy anniversary or the policy anniversary nearest the Insured's age 65, you may request a surrender of a portion of this policy to purchase a life contingent annuity policy, if all the following conditions are met.

These conditions will apply:

1. You must make a written request to us.
2. You may only exercise this option one time.
3. At the request date, this policy must be in force and the Insured must be living.

4. The percentage amount of the net cash surrender value of this policy to be used for the purchase of a life contingent annuity policy under this option may not exceed 50%. The face amount and accumulation value of this policy will be reduced by the same percentage amount as the net cash surrender value.

5. You must use the amount described in number 4 above to purchase a life contingent annuity policy offered by us.

6. After the purchase of a life contingent annuity policy, the remaining face amount of this policy may not be less than \$25,000.

7. The monthly deductions after exercising this option will be based on the monthly deduction rates for the category of the new face amount and the resulting difference between the new death benefit and the new accumulation value.

We will add to the net cash surrender value an appropriate amount from an annuitization fund for purchase of the life contingent annuity policy.

The total annuitization fund will be calculated as follows:

At the beginning of each of the first 10 policy years, the face amount currently in effect times .001, will be multiplied by the monthly deduction rate for that policy year. Monthly deductions for riders and monthly policy fees will not be included in this annuitization fund.

The following items will be affected due to the exercising of the Retirement Income Option: the face amount, death benefit, accumulation value, cash value, monthly deduction, and any policy loan.



**Option to Reduce the Face Amount --** You may request a decrease of the face amount of this policy if all the conditions are met.

The following conditions will apply:

1. You must make a written request to us.
2. At the request date, this policy must be in force and the Insured must be living.
3. The amount of the reduction in face amount must be at least \$25,000.
4. The new face amount may not be less than the published minimum face amount for this plan.
5. The decrease of the face amount of this policy may cause a change in the monthly deduction rates to be charged.
6. A surrender penalty will result from the decrease in the face amount if the change is made during the 10 year surrender penalty period.

#### **ALTERNATIVE PAID-UP LIFE INSURANCE OPTION**

You may purchase an Alternative Paid-Up Life Insurance Policy.

You may elect this option on or after the fifth policy anniversary.

When you send a written request to us, we will change this policy to Alternative Paid-Up Life Insurance. The face amount will be the amount that the policy's net cash value will purchase at the single premium rate in effect when you choose the option.

The current rates for Alternative Paid-Up Life are not guaranteed. They will vary by the Insured's attained age when you choose the option, the Insured's sex, whether smoker or nonsmoker, and the Insured's class of risk on this policy as recorded at the time you elect this option.

You may purchase Alternative Paid-Up Life Insurance if you meet these conditions:

1. You must send a written request and the policy to us. We must receive the request within 60 days of the date you signed it and while this option is still in force. You will surrender all rights under this policy in exchange for the Alternative Paid-Up Life policy.

2. This policy must have net cash value above a existing loan and surrender penalty when y request the option.
3. You must agree to accept a new policy loan interest rate provision. The new rate may be a variable one.
4. You must agree that all riders attached to this policy will terminate. We will add the cash value, if any, of the riders attached to this policy to the policy's cash value. We will use the total amount to determine the amount of Alternative Paid-Up Life Insurance you may purchase.

**Evidence of Insurability --** When you request this option, we will calculate the difference between the amount of Alternative Paid-Up Insurance and the net single premium. We will compare that amount to the difference between the death benefit and the accumulation value under this policy on the date you choose this option. If the difference between the amount of Alternative Paid-Up and the net single premium (Net Cash Value of the original policy) is greater than the difference between the death benefit and the accumulation value, the Insured must give us satisfactory evidence of insurability.

If the Insured does not send us satisfactory evidence of insurability, we will reduce the amount of Alternative Paid-Up Insurance accordingly. If there is any net cash value left over after you purchase the Alternative Paid-Up policy, we will refund it to you.

**Alternative Paid-Up Insurance Policy --** We will issue and date the Alternative Paid-Up policy as of the date you request this option. If your request occurs within 30 days after a policy anniversary, the cash surrender value of the Alternative Paid-Up policy will not be less than the cash surrender value on that anniversary.

We will include in the Alternative Paid-Up policy a table of cash values for that policy and a description of the basis we use to calculate those values. The cash values will not be less than the minimum values required by the State in which the policy is delivered. There will be a new policy loan interest rate provision in the Alternative Paid-Up policy.

This option is no longer in force when any of these events occur: (1) the Insured dies, (2) you surrender the policy for its net cash value, (3) you exercise this option, or (4) this policy is terminated.

Policy Year

Issue Age	1	2	3	4	5	6	7	8	9	10	11+
45	25	23	21	19	16	14	11	9	6	3	0
46	25	24	21	19	17	14	12	9	6	3	0
47	26	24	22	20	17	15	12	9	6	3	0
48	27	25	23	21	18	15	13	10	6	3	0
49	28	26	24	21	19	16	13	10	7	3	0
50	29	27	25	22	19	17	14	10	7	3	0
51	30	28	26	23	20	17	14	11	7	3	0
52	31	29	27	24	21	18	15	11	7	4	0
53	32	30	28	25	22	19	15	12	8	4	0
54	34	32	29	26	23	19	16	12	8	4	0
55	35	33	30	27	24	20	16	13	8	4	0
56	36	34	31	28	25	21	17	13	9	4	0
57	38	36	32	29	26	22	18	14	9	5	0
58	40	37	34	30	27	23	19	14	10	5	0
59	41	39	35	32	28	24	20	15	10	5	0
60	43	41	37	33	29	25	21	16	11	5	0
61	45	43	39	35	31	26	22	17	11	6	0
62	47	45	41	37	32	28	23	18	12	6	0
63	50	47	43	39	34	29	24	18	13	6	0
64	52	50	45	41	36	31	25	19	13	7	0
65	55	52	48	43	38	33	27	21	14	7	0
66	57	55	50	45	40	34	28	22	15	7	0
67	57	55	50	46	40	34	28	22	15	7	0
68	57	55	51	46	40	35	28	22	15	8	0
69	57	55	51	46	40	35	29	22	15	8	0
70	57	55	51	46	40	35	29	22	15	8	0
71	57	55	51	46	41	35	29	22	15	8	0
72	57	55	51	46	41	35	29	22	15	8	0
73	57	55	51	46	41	35	29	22	15	8	0
74	57	55	51	46	41	35	29	22	15	8	0
75	57	55	51	46	41	35	29	23	16	8	0
76	57	55	51	46	41	36	30	23	16	8	0
77	57	55	51	47	42	36	30	23	16	8	0
78	57	55	51	47	42	36	30	24	16	8	0
79	57	55	52	47	42	37	31	24	17	8	0
80	57	55	52	47	42	37	31	24	17	8	0

## PAYMENT OF CASH VALUE AND LOANS

We may delay paying you the partial or full surrender values of this policy for up to six months after we receive your written request for the surrender. We may delay making a loan to you for up to six months after we receive your written request for the loan. We will not delay any loan made to pay premiums due us on any policy.

Insured's lifetime for two years from the date of issue. This provision does not apply to any rider providing benefits specifically for disability or death by accident.

**Amount We Pay is Limited in the Event of Suicide --** If the Insured dies by suicide, while sane or insane, within two years from the date of issue, we will be liable only for the amount of premiums paid, less any partial surrenders, Surrender-Penalty-Free Withdrawals, and loans.

## POLICY STATEMENTS AND ILLUSTRATIONS

At least once a year, we will send you a statement showing the face amount, accumulation value, cash value, loans, partial surrenders, Surrender-Penalty-Free Withdrawals, Premium Qualification Credits, premiums paid and charges as of the statement date. Upon written request at any time we will send, at a reasonable charge, an illustration of benefits and values.

**Misstatement of Age or Sex in the Application --** If there is a misstatement of the Insured's age or sex in the policy, we will adjust the excess of the death benefit over the accumulation value to that which would be purchased by the most recent monthly deduction at the correct age or sex.

**The Policy is Our Contract with You --** We have issued this policy in consideration of the application and premium payments. A copy of the application is attached to and is a part of this policy. The policy, including the application, forms our entire contract with you. All statements made by or for the Insured will be considered representations and not warranties. We will not use any statement made by or for the Insured to deny a claim unless the statement is in the application and the application is attached to this policy when we issue it.

## BASIS OF COMPUTATION

The cash values of the policy are not less than the minimum values required by the State in which this policy is delivered. The cash values are based on the guaranteed monthly deduction rates and the guaranteed interest rate. (See the Guaranteed Values section.)

Calculation of minimum cash values and nonforfeiture benefits are based on the Commissioners 1980 Standard Ordinary Smoker or Nonsmoker Ultimate Mortality Tables for males or females, age nearest birthday and 5% interest. Deaths are assumed to occur at the end of the policy year.

**Who Can Make Changes in the Policy --** Only our President or a Vice President together with our Corporate Secretary have the authority to make any change in this policy. Any change must be in writing.

**Termination of Insurance --** This policy will terminate at the earliest of:

As required, we have filed the method we used to compute minimum cash values and nonforfeiture benefits with the Supervisory Official of the State in which this policy is delivered.

1. the date of surrender;
2. the policy anniversary nearest the Insured's age 100; or
3. the date of lapse.

## GENERAL PROVISIONS

**Incontestability of the Policy --** Except for nonpayment of premiums, this policy will be incontestable after it has been in force during the

**No Dividends are Payable --** This is nonparticipating insurance. It does not participate in our profits or surplus. We do not distribute past surplus or recover past losses by changing the monthly deduction rates.



When the Insured dies, we will pay the death benefit in a lump sum unless you or the beneficiary choose a settlement option. You may choose a settlement option while the Insured is living. The beneficiary may choose a settlement option after the Insured has died. The beneficiary's right to choose will be subject to any settlement agreement in effect at the Insured's death.

You may also choose one of these options as a method of receiving the surrender or maturity proceeds, if any are available under this policy.

When we receive a satisfactory written request, we will pay the benefit according to one of these options:

**Option A: Instalments for a Guaranteed Period --** We will pay equal instalments for a guaranteed period of from one to thirty years. Each instalment will consist of part benefit and part interest. We will pay the instalments monthly, quarterly, semi-annually or annually, as requested. See Table A on page 21.

**Option B: Instalments for Life with a Guaranteed Period --** We will pay equal monthly instalments as long as the payee is living, but we will not make payments for less than the guaranteed period the payee chooses. The guaranteed period may be either 10 years or 20 years. We will pay the instalments monthly. See Table B on page 21.

**Option C: Benefit Deposited with Interest --** We will hold the benefit on deposit. It will earn interest at the annual interest rate we are paying as of the date of death, surrender or maturity. We will not pay less than 2 1/2% annual interest. We will pay the earned interest monthly, quarterly, semi-annually or annually, as requested. The payee may withdraw part or all of the benefit and earned interest at any time.

**Option D: Instalments of a Selected Amount --** We will pay instalments of a selected amount until we have paid the entire benefit and accumulated interest.

**Option E: Annuity --** We will use the benefit as a single premium to buy an annuity. The annuity may be payable to one or two payees. It may be payable for life with or without a guaranteed period, as requested. The annuity payment will not be less than what our current annuity contracts are then paying.

The payee may arrange any other method of settlement as long as we agree to it. The payee must be an individual receiving payment in his or her own right. There must be at least \$10,000 available for any option and the amount of each instalment to each payee must be at least \$100. If the benefit amount is not enough to meet these requirements, we will pay the benefit in a lump sum.

We will pay the first instalment under any option on the date of death, maturity or surrender, whichever applies. Any unpaid balance we hold under Options A or D will earn interest at the rate we are paying at the time of settlement. We will not pay less than 3% annual interest. Any benefit we hold will be combined with our general assets.

If the payee does not live to receive all guaranteed payments under Options A, B, D or E or any amount deposited under Option C, plus any accumulated interest, we will pay the remaining benefit as scheduled to the payee's estate. The payee may name and change a successor payee for any amount we would otherwise pay the payee's estate.

# TABLE OF PAID-UP INSURANCE PER \$1,000 OF NET CASH VALUE

$$\text{Amount of Paid-Up Insurance} = \left( \frac{\text{Net Cash Value}}{1000} \right) \times \text{Factor for the Insured's Attained Age.}$$

Insured's Attained Age	Male	Female	Insured's Attained Age	Male	Female	Insured's Attained Age	Male	Female	Insured's Attained Age	Male	Female
<b>NONSMOKER</b>											
45	4,013.65	4,626.21	60	2,301.24	2,653.30	75	1,504.44	1,633.59	90	1,189.05	1,204.33
46	3,858.77	4,451.57	61	2,225.59	2,560.50	76	1,472.61	1,590.06	91	1,176.42	1,188.05
47	3,710.72	4,283.94	62	2,153.74	2,471.40	77	1,442.90	1,549.31	92	1,163.63	1,172.08
48	3,569.27	4,123.38	63	2,085.51	2,386.30	78	1,415.05	1,511.06	93	1,150.33	1,156.09
49	3,433.95	3,969.52	64	2,020.86	2,305.32	79	1,388.78	1,475.02	94	1,136.03	1,139.71
50	3,304.70	3,822.20	65	1,959.79	2,228.52	80	1,363.91	1,440.99	95	1,120.47	1,122.60
51	3,180.97	3,681.08	66	1,902.01	2,155.84	81	1,340.36	1,408.91	96	1,103.58	1,104.65
52	3,062.98	3,545.85	67	1,847.38	2,086.38	82	1,318.19	1,378.80	97	1,085.64	1,086.06
53	2,950.47	3,416.59	68	1,795.60	2,020.29	83	1,297.43	1,350.72	98	1,067.40	1,067.50
54	2,843.26	3,293.16	69	1,746.49	1,956.99	84	1,278.19	1,324.72	99	1,050.01	1,050.01
55	2,741.31	3,175.11	70	1,699.85	1,896.21	85	1,260.48	1,300.73	100	1,000.00	1,000.00
56	2,644.32	3,062.14	71	1,655.63	1,838.00	86	1,244.19	1,278.60			
57	2,552.13	2,953.87	72	1,614.60	1,782.44	87	1,229.14	1,258.14			
58	2,464.33	2,849.90	73	1,575.28	1,729.75	88	1,215.13	1,239.10			
59	2,380.79	2,749.75	74	1,538.58	1,680.11	89	1,201.87	1,221.26			
<b>SMOKER</b>											
45	3,212.13	4,020.43	60	1,984.29	2,432.38	75	1,416.96	1,576.84	90	1,183.96	1,201.48
46	3,099.43	3,879.73	61	1,930.58	2,355.83	76	1,394.02	1,539.56	91	1,173.22	1,185.24
47	2,992.05	3,745.32	62	1,879.49	2,282.07	77	1,372.73	1,504.65	92	1,161.85	1,171.13
48	2,889.59	3,616.51	63	1,831.04	2,211.32	78	1,352.80	1,471.85	93	1,149.39	1,155.75
49	2,791.82	3,492.97	64	1,785.24	2,144.04	79	1,333.94	1,440.82	94	1,135.70	1,139.71
50	2,698.62	3,374.74	65	1,742.04	2,080.13	80	1,315.98	1,411.40	95	1,120.47	1,122.60
51	2,609.68	3,261.58	66	1,701.32	2,019.60	81	1,298.86	1,383.61	96	1,103.58	1,104.65
52	2,525.00	3,153.09	67	1,662.79	1,961.90	82	1,282.60	1,357.15	97	1,085.64	1,086.06
53	2,444.40	3,049.16	68	1,626.26	1,906.73	83	1,267.29	1,332.41	98	1,067.40	1,067.50
54	2,367.93	2,950.03	69	1,591.47	1,853.44	84	1,253.08	1,309.35	99	1,050.01	1,050.01
55	2,295.48	2,855.11	70	1,558.27	1,802.00	85	1,239.93	1,288.20	100	1,000.00	1,000.00
56	2,226.78	2,764.27	71	1,526.63	1,752.30	86	1,227.72	1,268.49			
57	2,161.61	2,677.02	72	1,496.61	1,704.66	87	1,216.22	1,250.36			
58	2,099.65	2,592.83	73	1,468.26	1,659.40	88	1,205.14	1,233.23			
59	2,040.61	2,511.37	74	1,441.74	1,616.77	89	1,194.48	1,217.16			

TABLE OF MAXIMUM NET SINGLE  
PREMIUMS FOR  
PAID-UP INSURANCE PER \$1,000

Insured's Attained Age	Male	Female	Insured's Attained Age	Male	Female	Insured's Attained Age	Male	Female	Insured's Attained Age	Male	Female
<b>NON-SMOKER</b>											
45	245.15	216.18	60	434.55	376.89	75	664.70	612.15	90	841.01	830.34
46	259.15	224.64	61	449.32	390.55	76	679.07	628.91	91	850.04	841.72
47	269.49	233.43	62	464.31	404.63	77	693.05	645.45	92	859.38	853.19
48	280.17	242.52	63	479.50	419.06	78	706.69	661.79	93	869.32	864.99
49	291.21	251.92	64	494.84	433.78	79	720.06	677.96	94	880.28	877.42
50	302.60	261.63	65	510.26	448.73	80	733.19	693.97	95	892.49	890.79
51	314.37	271.66	66	525.76	463.90	81	746.07	709.77	96	906.15	905.27
52	326.48	282.02	67	541.31	479.30	82	758.62	725.27	97	921.12	920.76
53	338.93	292.69	68	556.92	494.98	83	770.76	740.35	98	936.86	936.77
54	351.71	303.66	69	572.58	510.99	84	782.36	754.88	99	952.38	952.38
55	364.79	314.95	70	588.29	527.37	85	793.35	768.80	100	1,000.00	1,000.00
56	378.17	326.57	71	604.00	544.07	86	803.74	782.11			
57	391.83	338.54	72	619.39	561.03	87	813.58	794.83			
58	405.79	350.89	73	634.81	578.12	88	822.95	807.04			
59	420.03	363.67	74	649.95	595.20	89	832.04	818.83			
<b>SMOKER</b>											
45	311.32	248.73	60	503.96	411.12	75	705.74	634.18	90	844.63	832.31
46	322.64	257.75	61	517.98	424.48	76	717.35	649.64	91	852.35	843.00
47	334.22	267.00	62	532.06	438.20	77	728.48	664.61	92	860.70	853.88
48	346.07	276.51	63	546.14	452.22	78	739.21	679.42	93	870.03	865.24
49	358.18	286.29	64	560.15	466.41	79	749.66	694.05	94	880.52	877.42
50	370.56	296.32	65	574.04	480.74	80	759.89	708.52	95	892.49	890.79
51	383.19	306.60	66	587.78	495.15	81	769.91	722.80	96	906.15	905.27
52	396.04	317.15	67	601.40	509.71	82	779.67	736.84	97	921.12	920.76
53	409.10	327.96	68	614.91	524.46	83	789.09	750.52	98	936.86	936.77
54	422.31	338.98	69	628.35	539.54	84	798.04	763.74	99	952.38	952.38
55	435.64	350.25	70	641.74	554.94	85	806.50	776.28	100	1,000.00	1,000.00
56	449.08	361.76	71	655.04	570.68	86	814.52	788.34			
57	462.62	373.55	72	668.18	586.63	87	822.22	799.77			
58	476.27	385.68	73	681.08	602.63	88	829.78	810.88			
59	490.05	398.19	74	693.61	618.52	89	837.19	821.59			

**TABLE A**  
**Installments for Each \$1,000 Payable under Option A**

Multiply the Monthly Installment by 11.83895 for Annual, by 5.96322 for Semi-Annual, or by 2.99263 for Quarterly Installments.

Guaranteed Period (Yrs.)	Monthly Installment	Guaranteed Period (Yrs.)	Monthly Installment	Guaranteed Period (Yrs.)	Monthly Installment
1	\$84.47	11	\$8.86	21	\$5.32
2	42.86	12	8.24	22	5.15
3	28.99	13	7.71	23	4.99
4	22.06	14	7.26	24	4.84
5	17.91	15	6.87	25	4.71
6	15.14	16	6.53	26	4.59
7	13.16	17	6.23	27	4.48
8	11.68	18	5.96	28	4.37
9	10.53	19	5.73	29	4.27
10	9.61	20	5.51	30	4.18

**TABLE B**  
**Monthly Installment for Each \$1,000 Payable under Option B**

MALE PAYEE														
Guaranteed Period			Guaranteed Period			Guaranteed Period			Guaranteed Period			Guaranteed Period		
Age 10 Yrs. 20 Yrs.			Age 10 Yrs. 20 Yrs.			Age 10 Yrs. 20 Yrs.			Age 10 Yrs. 20 Yrs.			Age 10 Yrs. 20 Yrs.		
11	\$2.90	\$2.89	26	\$3.20	\$3.19	41	\$3.77	\$3.71	56	\$4.92	\$4.59	71	\$7.27	\$5.42
12	2.91	2.91	27	3.22	3.21	42	3.82	3.76	57	5.03	4.66	72	7.48	5.48
13	2.93	2.92	28	3.25	3.24	43	3.88	3.81	58	5.15	4.73	73	7.68	5.46
14	2.94	2.94	29	3.28	3.27	44	3.94	3.86	59	5.27	4.80	74	7.88	5.48
15	2.96	2.96	30	3.31	3.30	45	4.00	3.91	60	5.40	4.87	75	8.08	5.49
16	2.98	2.97	31	3.34	3.33	46	4.07	3.97	61	5.53	4.94	76	8.27	5.50
17	3.00	2.99	32	3.38	3.36	47	4.14	4.02	62	5.68	5.00	77	8.46	5.50
18	3.01	3.01	33	3.41	3.39	48	4.21	4.08	63	5.83	5.07	78	8.63	5.51
19	3.03	3.03	34	3.45	3.43	49	4.28	4.14	64	5.98	5.13	79	8.79	5.51
20	3.05	3.05	35	3.49	3.46	50	4.36	4.20	65	6.15	5.18	80	8.94	5.51
21	3.08	3.07	36	3.53	3.50	51	4.44	4.26	66	6.32	5.24	81	9.07	5.51
22	3.10	3.09	37	3.57	3.54	52	4.53	4.32	67	6.50	5.28	82	9.18	5.51
23	3.12	3.11	38	3.62	3.58	53	4.62	4.39	68	6.68	5.33	83	9.28	5.51
24	3.14	3.14	39	3.67	3.62	54	4.71	4.46	69	6.88	5.36	84	9.36	5.51
25	3.17	3.16	40	3.72	3.67	55	4.81	4.52	70	7.07	5.40	85	9.42	5.51

FEMALE PAYEE														
Guaranteed Period			Guaranteed Period			Guaranteed Period			Guaranteed Period			Guaranteed Period		
Age 10 Yrs. 20 Yrs.			Age 10 Yrs. 20 Yrs.			Age 10 Yrs. 20 Yrs.			Age 10 Yrs. 20 Yrs.			Age 10 Yrs. 20 Yrs.		
11	\$2.83	\$2.83	26	\$3.08	\$3.07	41	\$3.54	\$3.52	56	\$4.51	\$4.35	71	\$6.73	\$5.36
12	2.84	2.84	27	3.10	3.10	42	3.59	3.56	57	4.61	4.42	72	6.94	5.40
13	2.86	2.85	28	3.12	3.12	43	3.63	3.60	58	4.71	4.50	73	7.16	5.43
14	2.87	2.87	29	3.15	3.14	44	3.68	3.65	59	4.82	4.57	74	7.38	5.45
15	2.88	2.88	30	3.17	3.17	45	3.73	3.69	60	4.94	4.65	75	7.60	5.47
16	2.90	2.90	31	3.20	3.19	46	3.78	3.74	61	5.06	4.72	76	7.82	5.48
17	2.91	2.91	32	3.23	3.22	47	3.84	3.79	62	5.19	4.80	77	8.04	5.49
18	2.93	2.93	33	3.26	3.25	48	3.90	3.85	63	5.33	4.88	78	8.25	5.50
19	2.95	2.94	34	3.29	3.28	49	3.96	3.90	64	5.47	4.95	79	8.45	5.51
20	2.96	2.96	35	3.32	3.31	50	4.03	3.96	65	5.63	5.02	80	8.64	5.51
21	2.98	2.98	36	3.35	3.34	51	4.10	4.02	66	5.79	5.09	81	8.82	5.51
22	3.00	2.99	37	3.39	3.37	52	4.17	4.08	67	5.96	5.15	82	8.97	5.51
23	3.02	3.01	38	3.42	3.41	53	4.25	4.14	68	6.14	5.21	83	9.11	5.51
24	3.04	3.03	39	3.46	3.44	54	4.33	4.21	69	6.33	5.27	84	9.23	5.51
25	3.06	3.05	40	3.50	3.48	55	4.42	4.28	70	6.53	5.32	85	9.32	5.51

Ages younger than 11 are the same as shown for age 11, and ages older than 85 are the same as shown for age 85.

**AUTOMATIC PREMIUM LOAN ENDORSEMENT**  
(for policies containing a Required Annual Premium)

Transamerica Occidental Life Insurance Company has issued this endorsement as a part of the policy to which it is attached.

When the Automatic Premium Loan provision is made effective by the owner in the application at the time of issue, any portion of the required annual premium which remains unpaid at the end of a grace period will be paid by automatic premium loan. These rules will apply:

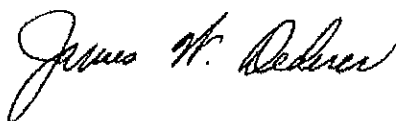
- (1) We will process an automatic premium loan if there is enough net cash value to pay both the required annual premium due and interest due on the automatic premium loan. If there is not enough net cash value to pay both the required annual premium due and the interest on the automatic premium loan, we will not make an automatic premium loan. The

policy will then lapse subject to the nonforfeiture provision.

- (2) The Automatic Premium Loan will also be subject to all sections of this policy that pertain to policy loans.
- (3) If the Automatic Premium Loan provision is made ineffective by the owner in the application at the time of issue, this provision may be requested by the owner. The request must be in the form of a written notice filed at our Home Office. This provision may also be cancelled by written notice by the owner filed in our Home Office.

The Automatic Premium Loan Provision will terminate at the end of the required annual premium period.

Signed for the Company at Los Angeles, California, on the date of issue of this policy,



EXECUTIVE VICE PRESIDENT, GENERAL COUNSEL  
AND CORPORATE SECRETARY



PRESIDENT



### DESIGNATED SURRENDER-PENALTY-FREE WITHDRAWAL ENDORSEMENT

Transamerica Occidental Life Insurance Company has issued this endorsement as part of the policy to which it is attached. You do not pay any premium for this endorsement.

Wherever the term "Surrender-Penalty-Free Withdrawal" appears in the policy to which this endorsement is attached, it is also meant to include the term "Designated Surrender-Penalty-Free Withdrawal". The only exception is in the section of the policy titled "Surrender-Penalty-Free Withdrawal", "(a)". That calculation of the eligible amount for surrender without penalty will NOT include "Designated Surrender-Penalty-Free Withdrawals."

This Designated Surrender-Penalty-Free Withdrawal is available in addition to the Surrender-Penalty-Free Withdrawal in the policy to which this endorsement is attached. If the Designated Surrender-Penalty-Free Withdrawal and the Surrender-Penalty-Free Withdrawal are requested simultaneously, the Designated Surrender-Penalty-Free Withdrawal will be processed first. Then, the Surrender-Penalty-Free Withdrawal will be processed based on the remaining accumulation value.

At any time after the first policy year, you may make a Designated Surrender-Penalty-Free Withdrawal without incurring a partial surrender penalty, within the limits outlined below.

Your Designated Surrender-Penalty-Free Withdrawal requests will only be available if you request such check be made payable to:

- (a) an accredited U.S. college or U.S. university;
- (b) a charitable organization registered as such with the Internal Revenue Service; or
- (c) Transamerica Occidental Life Insurance Company, for payment of a premium on a long term care product which is either in force or which we are offering for sale at the time the Withdrawal is selected.

If you request a check for either (a) or (b), we will process the Designated Surrender-Penalty-Free Withdrawal when you submit to us the following: a copy of the letter from the Internal Revenue Service according to the charitable organization or educational institution tax-exempt status under Section 501(c)(3) of the Internal Revenue Code.

The minimum amount of a Designated Surrender-Penalty-Free Withdrawal is \$100.

When you request a Designated Surrender-Penalty-Free Withdrawal, we will calculate the amount eligible for surrender without a Company imposed penalty, as follows:

10% of the policy's current accumulation value as of the request date, minus the sum of all Designated Surrender-Penalty-Free Withdrawals since the last policy anniversary.

The total amount available under a combination of all types of Surrender-Penalty-Free Withdrawals and Partial Surrenders shall not exceed the following:

Current accumulation value as of the request date

- minus 1) any indebtedness,
- minus 2) the sum of three monthly deductions,
- minus 3) the maximum of \$25 or the full surrender penalty.

During the first ten policy years, the total amount available under a combination of all types of Surrender-Penalty-Free Withdrawals and Partial surrenders also may not exceed:

Sum of all premiums paid

- minus 1) the sum of all required premiums since the policy date.

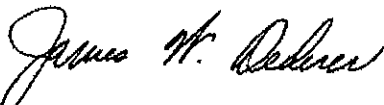
(See Payment of Premium Provision, Number 2 in the policy.)

We will process a Designated Surrender-Penalty-Free Withdrawal for the eligible amount. The remainder, if any, of the amount you request will be processed first as a Surrender-Penalty-Free Withdrawal as described in the policy. If there is any remainder in excess of that amount, we will process it as a partial surrender.

The monthly deductions for the remainder of the policy year will be recalculated based on the difference between the new death benefit and the new accumulation value resulting from all types of Surrender-Penalty-Free Withdrawals and/or Partial Surrenders, as of the request date.

We will deduct the withdrawal amount you request from the policy's accumulation value.

Signed for the Company at Los Angeles, California on the date of issue of this policy.



EXECUTIVE VICE PRESIDENT, GENERAL COUNSEL  
AND CORPORATE SECRETARY



PRESIDENT







TRANSAMERICA  
OCCIDENTAL LIFE®

Transamerica Occidental  
Life Insurance Company  
1150 South Olive Street  
Los Angeles, CA 90015

**POLICY FORM TRUL+-CVC**  
Individual Life Insurance

3

INSURED	GERALD R LYONS	60079202	POLICY NUMBER
FACE AMOUNT	\$150,000	AUG 22 1995	DATE OF ISSUE

While this policy is in force, Transamerica Occidental Life Insurance Company will pay the death benefit to the Beneficiary if the Insured dies before the policy anniversary nearest the Insured's age 115, or will pay the net cash value, if any, to the Owner on the policy anniversary nearest the Insured's age 115 if the Insured is living on that date. All payments are subject to the provisions of this policy.

Signed for the Company at Los Angeles, California, on the date of issue.

Executive Vice President, General Counsel  
And Corporate Secretary

President

**Right to Examine and Return Policy Within 10 Days --** At any time within 10 days after you receive this policy, you may return it to us or the agent through whom you bought it. We will cancel the policy and void it from the beginning. We will refund to you any premiums paid.

**Life Insurance**  
**Minimum Premium Requirement**  
**Shown in the Policy Data**  
**Flexible Premiums Payable Thereafter**  
**During Life Of Insured Prior to Age 100**  
**Subject to the Limitations Described**  
**in the Premiums Provision**

**Death Benefit Payable at Death of**  
**Insured Prior to Age 115**  
**Net Cash Value, if Any, Payable at**  
**Policy Anniversary Nearest Age 115**

**Nonparticipating - No Annual Dividends**

**THIS POLICY CONTAINS A PREMIUM**  
**QUALIFICATION CREDIT PROVISION. TO**  
**RECEIVE THIS CREDIT, YOU MUST PAY**  
**SPECIFIC PREMIUMS ON OR BEFORE**  
**THEIR DUE DATE.**  
**SEE DETAILS ON PAGE 13**

#9669

This policy is a legal contract between you, the Owner of this policy, and Transamerica Occidental Life Insurance Company.

## READ YOUR POLICY CAREFULLY

### POLICY SUMMARY

We will pay the death benefit to the Beneficiary if the Insured dies while the policy is in force before the policy anniversary nearest age 115.

You must pay at least the minimum premium per year during the required premium period shown in the Policy Data or your policy will lapse or be changed to Paid-Up Life Insurance or Extended Term Insurance. If you request an increase in the face amount of this policy, you must also pay at least the minimum premium per year for the increased portion for that portion's required premium period following the date of the increase, or your policy will lapse or be changed to Paid-Up Life Insurance or Extended Term Insurance. After that, you may vary the amount of premiums and how often you pay them, within certain limits, as described in the Premiums provision. Generally, you may pay premiums as long as the Insured is living, up to the policy anniversary nearest age 100. If the Insured is living at the policy anniversary nearest age 115, we will pay the net cash value, if any, to you.

Additional benefits, if any, are provided by rider.

This is only a brief description. The insurance is fully described in the various provisions of the policy.

### GUIDE TO POLICY PROVISIONS

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## POLICY DATA

CLASS A LOAN  
INTEREST RATE 5.21% IN ADVANCE JUN 22, 2001 POLICY DATE  
CLASS B LOAN  
INTEREST RATE 7.40% IN ADVANCE 6.00% REINSTATEMENT  
POLICY NUMBER 000060079202 54 AGE OF INSURED  
INSURED GERALD R LYONS  
FACE AMOUNT \$150,000 AUG 22, 1995 DATE OF ISSUE  
DEATH BENEFIT  
OPTION OPTION 1 PREFERRED NONSMOKER CLASS OF RISK  
OWNER MR GERALD R LYONS

MINIMUM INITIAL PREMIUM: \$448  
PLANNED PERIODIC PREMIUMS: \$235

MONTHLY

REQUIRED PREMIUM PERIOD: 10 YEARS

REQUIRED PREMIUM PER YEAR FOR THE BASE POLICY: \$2,689

REQUIRED PREMIUM PER YEAR FOR THE BASE POLICY AND ALL  
ADDITIONAL RIDERS: \$2,689

PREMIUM QUALIFICATION CREDIT PERIOD: 10 YEARS  
PREMIUM QUALIFICATION CREDIT PERCENTAGE: 2%

GUARANTEED MAXIMUM MONTHLY POLICY FEE: POLICY YEARS 1-10: \$6.00  
POLICY YEARS 11 AND LATER: \$10.00

GUARANTEED MAXIMUM MONTHLY EXPENSE CHARGE PER THOUSAND:  
YEARS 1-5: \$0.4641  
YEARS 6-10: \$0.0000  
YEARS 11 & LATER: \$0.2025

GUARANTEED MINIMUM INTEREST RATE: 4.00%

NONFORFEITURE INTEREST RATE: 4.0%

NOTE: THIS POLICY MAY TERMINATE PRIOR TO THE INSURED'S AGE 115 IF:  
(1) THE CASH VALUE MINUS ANY LOAN(S) IS LESS THAN THE MONTHLY  
DEDUCTION DUE, OR  
(2) THE REQUIRED PREMIUMS PER YEAR FOR THE BASE POLICY AND ANY  
RIDERS AND LAYERS IN THEIR REQUIRED PREMIUM PERIOD ARE NOT  
PAID.

TABLE OF GUARANTEED MAXIMUM MONTHLY DEDUCTION RATES PER \$1,000  
FOR BASE POLICY\*

POLICY YEAR	POLICY EXCLUDING RIDERS	POLICY YEAR	POLICY EXCLUDING RIDERS	POLICY YEAR	POLICY EXCLUDING RIDERS
1	0.0858	34	14.7325		
2	0.1158	35	15.9075		
3	0.1458	36	17.1075		
4	0.1791	37	18.3491		
5	0.2158	38	19.6533		
6	0.2500	39	21.0625		
7	0.2900	40	22.6358		
8	0.3350	41	24.6375		
9	0.3841	42	27.4966		
10	0.4416	43	32.0458		
11	1.5850	44	40.0166		
12	1.7608	45	54.8316		
13	1.9500	46	83.3333		
14	2.1550	47	0.0000		
15	2.3750	48	0.0000		
16	2.6150	49	0.0000		
17	2.8858	50	0.0000		
18	3.2425	51	0.0000		
19	3.5466	52	0.0000		
20	3.9533	53	0.0000		
21	4.4100	54	0.0000		
22	4.9000	55	0.0000		
23	5.4216	56	0.0000		
24	5.9700	57	0.0000		
25	6.5391	58	0.0000		
26	7.1433	59	0.0000		
27	7.8058	60	0.0000		
28	8.5433	61	0.0000		
29	9.3766				
30	10.3158				
31	11.3425				
32	12.4333				
33	13.5666				

\* TO FIND THE AMOUNT OF MONTHLY DEDUCTION DURING EACH POLICY YEAR, SEE THE GUARANTEED VALUES SECTION. A MONTHLY POLICY FEE OF \$6.00 WILL BE ADDED INTO EACH MONTHLY DEDUCTION FOR THE FIRST TEN POLICY YEARS. IN SUBSEQUENT YEARS, THE MONTHLY POLICY FEE WILL NOT EXCEED \$10.00. A MONTHLY EXPENSE CHARGE PER THOUSAND WILL ALSO BE ADDED TO EACH MONTHLY DEDUCTION. THE GUARANTEED MAXIMUM MONTHLY EXPENSE CHARGE PER THOUSAND IS SHOWN ON POLICY DATA PAGE 2.

THE RATES SHOWN ABOVE FOR THE FIRST 10 POLICY YEARS ARE CURRENT RATES THAT ARE GUARANTEED FOR THE FIRST 10 POLICY YEARS. THE RATES FOR YEARS 11 AND AFTER ARE THE GUARANTEED MAXIMUM RATES.

TABLE OF POLICY VALUES AND BENEFITS  
ILLUSTRATIVE PREMIUMS (1)  
GUARANTEED BASIS (2)

END OF POLICY YEAR	PLANNED ANNUALIZED PREMIUM	DEATH BENEFIT	ACCUMULATION VALUE (3)	CASH VALUE (4)
1	\$2,820	\$150,000	\$1,595	\$0
2	\$2,820	\$150,000	\$3,257	\$0
3	\$2,820	\$150,000	\$4,935	\$630
4	\$2,820	\$150,000	\$6,624	\$2,934
5	\$2,820	\$150,000	\$8,320	\$5,245
6	\$2,820	\$150,000	\$10,884	\$8,424
7	\$2,820	\$150,000	\$13,492	\$11,647
8	\$2,820	\$150,000	\$16,138	\$14,908
9	\$2,820	\$150,000	\$18,822	\$18,207
10	\$2,820	\$150,000	\$21,534	\$21,534
11	\$2,820	\$150,000	\$22,149	\$22,149
12	\$2,820	\$150,000	\$22,468	\$22,468
13	\$2,820	\$150,000	\$22,508	\$22,508
14	\$2,820	\$150,000	\$22,227	\$22,227
15	\$2,820	\$150,000	\$21,578	\$21,578
16	\$2,820	\$150,000	\$20,500	\$20,500
17	\$2,820	\$150,000	\$18,905	\$18,905
18	\$2,820	\$150,000	\$16,602	\$16,602
19	\$2,820	\$150,000	\$13,602	\$13,602
20	\$2,820	\$150,000	\$9,645	\$9,645
AGE 60	\$2,820	\$150,000	\$10,884	\$8,424
AGE 65	\$2,820	\$150,000	\$22,149	\$22,149

- (1) THE ACCUMULATION AND CASH VALUES RESULT FROM THE INTEREST RATES, MONTHLY DEDUCTIONS, PREMIUM QUALIFICATION CREDITS AND THE TIMELY PAYMENT OF THE PLANNED ANNUALIZED PREMIUMS. PARTIAL SURRENDERS, SURRENDER-PENALTY-FREE WITHDRAWALS OR LOANS MAY CHANGE THESE RESULTS.
- (2) RESULTS CALCULATED ON A GUARANTEED BASIS REFLECT GUARANTEED MAXIMUM MONTHLY DEDUCTIONS AND THE GUARANTEED MINIMUM INTEREST RATE OF 4.00%.
- (3) ACCUMULATION VALUES ILLUSTRATED ON A GUARANTEED BASIS REFLECT ACCUMULATED NET PREMIUMS AND PREMIUM QUALIFICATION CREDIT AMOUNTS PLUS INTEREST AT THE GUARANTEED MINIMUM INTEREST RATE OF 4.00% LESS GUARANTEED MAXIMUM MONTHLY DEDUCTIONS WHICH INCLUDE THE POLICY FEE, THE GUARANTEED MAXIMUM MONTHLY EXPENSE CHARGE PER THOUSAND AND THE COST OF ANY RIDERS. WHILE A POLICY LOAN(S) EXISTS, THE INTEREST RATE APPLICABLE TO THE CASH VALUE SECURING THE LOAN(S) MAY DIFFER FROM THE INTEREST RATE APPLICABLE TO THE CASH VALUE NOT SECURING THE LOAN(S).

THE REDUCED PAID-UP VALUES (MAXIMUM NET SINGLE PREMIUMS AND FACE AMOUNTS PER THOUSAND) ARE SHOWN IN THE POLICY AFTER THE NONFORFEITURE OPTIONS PROVISION.

PREMIUMS ARE SUBJECT TO REFUND UNDER CONDITIONS DESCRIBED IN THE POLICY.  
CURRENT MONTHLY DEDUCTION RATES ARE NOT GUARANTEED AFTER POLICY YEAR  
10, NOR ARE THEY ESTIMATES FOR THE FUTURE.

TABLE OF SURRENDER PENALTIES PER \$1,000  
OF BASE POLICY FACE AMOUNT

POLICY YEAR	SURRENDER PENALTY FACTOR
1	41.00
2	36.90
3	32.80
4	28.70
5	24.60
6	20.50
7	16.40
8	12.30
9	8.20
10	4.10
11+	0.00

TO CALCULATE THE FULL SURRENDER PENALTY FOR THE BASE POLICY, FIND  
THE FACTOR FOR THE CURRENT POLICY YEAR. MULTIPLY THIS FACTOR BY  
THE NUMBER OF THOUSANDS OF FACE AMOUNT OF THE BASE POLICY.

END OF POLICY DATA



**DEFINITIONS**

In this policy: #9674

**We, our or us** means Transamerica Occidental Life Insurance Company.

**You and your** means the Owner of this policy.

**Accumulation Value** is the policy's total value as described in the Accumulation Values provision.

**Administrative Office** means Transamerica Occidental Life Insurance Company, Box 419521, Kansas City, Missouri 64141-6521.

**Age** means the Insured's age on the nearest birthday.

The **Base Policy** is this policy excluding any face increase layers and any riders.

The **Beneficiary** is the person to whom we will pay the death benefit if the Insured dies.

**Cash Value** means the accumulation value less any surrender penalty.

A **Gross Premium** is 100% of any premium you pay.

**Home Office** means Transamerica Occidental Life Insurance Company, Box 2101, Los Angeles, California, 90051-0101.

**Lapse** means termination of the policy at the end of the Grace Period due to insufficient premium or unloaned accumulation value. If there is remaining net cash value at the end of the Grace Period, it will be applied to the Nonforfeiture Options.

A **Layer** is the coverage provided by an increase in the face amount of this policy.

A **Layer Date** is the effective date of a layer of coverage.

A **Layer Required Premium Per Year** is the minimum amount of premium you must pay each year for a layer's Required Premium Period.

The **Maturity Date** is the policy anniversary nearest age 115.

The **Maximum Loan Value** is the largest amount you may borrow under the loan provisions.

A **Monthly Deduction** is an amount we withdraw from the accumulation value of the policy (or of each layer, respectively) at the beginning of each policy month.

The **Net Cash Value** is the cash value less any existing loans.

A **Net Premium** is 93.0% of any gross premium you pay; we take 7.0% of any gross premium as an administrative charge. All net premium payments will become part of the accumulation value.

The **Policy Fee** is part of the monthly deduction. We may change the policy fee at any time after the first policy year. The guaranteed maximum policy fees are shown in the Policy Data.

A **Policy Loan** is indebtedness to us for a loan secured by this policy.

**Reinstate** means to restore coverage after the policy has lapsed or been changed to Paid-Up Life Insurance or Extended Term Insurance, subject to the requirements in the Reinstatement provision.

#9675

The **Required Premium Per Year for the Base Policy** is the minimum amount of premium you must pay each year for the Required Premium Period.

The **Required Premium Period** is the total number of consecutive years that any required premium must be paid. This period is shown in the Policy Data. For the base policy, this period begins on the Policy Date. For a layer, this period begins on the Layer Date.

A **Rider** is an attachment to the policy that provides an additional benefit.

**Written request** means a signed request in a form satisfactory to us that is received at our Administrative Office.

We will use the **Layer Date** to determine the layer anniversaries and layer years.

We will send any **notice** under the provisions of this policy to your last known address and to any assignee of record.

We will use the **Policy Date** shown in the Policy Data to determine the monthly dates, policy anniversaries and policy years.

## **OWNERSHIP**

**Owner of the Policy** -- Only you, the Owner, are entitled to the rights granted under this policy while the Insured is living. If you are an individual and you die before the Insured, your rights will pass to the executor or administrator of your estate for disposition unless stated otherwise in this policy. If the Owner is a partnership, the rights belong to the partnership as it exists when a right is exercised.

**Assignment of the Policy** -- We are not responsible for the adequacy of any assignment. However, if you file the assignment with us and we record it at our Administrative Office, your rights and those of any revocable Beneficiary will be subject to it.

## **THE BENEFICIARY**

**Who Receives the Death Benefit** -- If the Insured dies while this policy is in force, we will pay the death benefit to the Beneficiary. The Beneficiary is as designated in the application, unless changed as shown under "How to Change a Beneficiary" below. If the Beneficiary is a partnership, we will pay the death benefit to the partnership as it existed when the Insured died.

**Protection of the Death Benefit** -- To the extent permitted by law, no death benefit will be subject to the claims of the Beneficiary's creditors or to any legal process against the Beneficiary.

**If the Beneficiary Dies** -- If any Beneficiary dies before the Insured, that Beneficiary's interest in the death benefit will end. If any Beneficiary dies at the same time as the Insured, or within 30 days after the Insured, that Beneficiary's interest in the death benefit will end if no benefits have been paid to that Beneficiary. If the interest of all designated beneficiaries has ended when the Insured dies, we will pay the death benefit to you. If you are not living at that time, we will pay the death benefit to the executor or administrator of your estate.

**How to Change a Beneficiary** -- You may change the designated Beneficiary while the Insured is living by sending a satisfactory written notice to us. The change will not be effective until we record it at our Administrative Office. Even if the Insured is not living when we record the change, the change will take effect as of the date it was signed. However, any benefits we pay before we record the change will not be subject to the change.

A Beneficiary designated irrevocably may not be changed without the written consent of that Beneficiary.

## **PAYMENT OF THE DEATH BENEFIT**

**Proof of Death** -- We will pay any benefit payable because of death when we receive due proof of the Insured's death while this policy was in force. The proof must be sent to us at our Administrative Office. We will send appropriate forms to the Beneficiary upon request. Any of our agents will help the Beneficiary fill out the forms without charge.

**Death Benefit** -- The amount of the death benefit may be affected by other policy provisions, such as Policy Loans, Misstatement of Age or Sex, or Partial Surrenders.

**Death Benefit Option #9677** -- The death benefit before policy anniversary nearest age 100 will be based on whether you have chosen Option 1, Option 2 or Option 3 as shown in the Policy Data. If you do not choose an option in the application, Option 1 will automatically take effect. Prior to the policy anniversary nearest age 100, the death benefit is defined as follows:

Option 1: The death benefit will be the greater of:

- (a) the sum of:
  - (i) the total face amount of the base policy; plus,
  - (ii) the total face amount of any layers; or,
- (b) the death benefit factor multiplied by the total accumulation values of the base policy and any layers in effect on the date of the Insured's death.

Option 2: The death benefit will be the greater of:

- (a) the sum of:
  - (i) the total face amount of the base policy; plus,
  - (ii) the total face amount of any layers; plus,
  - (iii) the total accumulation values of the base policy and any layers in effect on the date of the Insured's death; or
- (b) the death benefit factor multiplied by the total accumulation values of the base policy and any layers in effect on the date of the Insured's death.

Option 3: The death benefit will be the greater of:

- (a) the sum of:
  - (i) the total face amount of the base policy; plus,
  - (ii) the total face amount of any layers; plus,
  - (iii) the total amount of all gross premium payments for the base policy and any layers, minus any withdrawals, surrenders, partial withdrawals, partial surrenders, surrender penalty free withdrawals, and premium refunds as of the date of death of the Insured; or,
- (b) the death benefit factor multiplied by the total accumulation values of the base policy and any layers in effect on the date of the Insured's death.

Beginning with the policy anniversary nearest age 100, the death benefit will be: the death benefit factor multiplied by the total accumulation values of the base policy and any layers in effect as of the date of the current policy month.

(See Accumulation Values provision for details.)

We will reduce the death benefit by any existing policy loans and by the portion of any grace period payment necessary to provide insurance to the date of the Insured's death.

This policy is intended to qualify under Section 7702 of the Internal Revenue Code as a life insurance contract for federal tax purposes. The death benefit under this policy is intended to qualify for the federal income tax exclusion. The provisions of this policy (including any rider or endorsement) will be interpreted to ensure tax qualification, regardless of any language to the contrary.

At no time will the amount of the death benefit under the policy ever be less than the amount needed to ensure tax qualification. To the extent that the death benefit is increased, appropriate adjustments will be made in any monthly deductions or supplemental benefits as of that time, retroactively or otherwise, that are consistent with such an increase. Such adjustments may be made by right of setoff against any death benefits payable.

**Death Benefit Factors**

Attained Age	Policy Years 1-10		Attained Age	Policy Years 1-10	
	<u>Male</u>	<u>Female</u>		<u>Male</u>	<u>Female</u>
45	3.33	3.76	75	1.70	1.79
46	3.23	3.65	76	1.68	1.76
47	3.14	3.54	77	1.66	1.73
48	3.05	3.44	78	1.64	1.71
49	2.96	3.34	79	1.62	1.68
50	2.88	3.24	80	1.60	1.66
51	2.80	3.15	81	1.54	1.60
52	2.73	3.06	82	1.49	1.54
53	2.66	2.97	83	1.44	1.49
54	2.59	2.88	84	1.40	1.44
55	2.52	2.80	85	1.37	1.40
56	2.45	2.73	86	1.36	1.39
57	2.40	2.66	87	1.35	1.37
58	2.34	2.59	88	1.33	1.35
59	2.28	2.52	89	1.32	1.34
60	2.23	2.45	90	1.27	1.29
61	2.19	2.39	91	1.23	1.24
62	2.14	2.33	92	1.19	1.20
63	2.09	2.28	93	1.15	1.16
64	2.05	2.22	94	1.11	1.12
65	2.01	2.17	95	1.10	1.10
66	1.97	2.13	96	1.09	1.09
67	1.93	2.08	97	1.07	1.07
68	1.90	2.04	98	1.06	1.06
69	1.86	2.00			
70	1.83	1.96			
71	1.80	1.92			
72	1.78	1.88			
73	1.75	1.85			
74	1.73	1.81			

**Death Benefit Factors**

Attained Age	Policy Years 11+		Attained Age	Policy Years 11+	
	<u>Male</u>	<u>Female</u>		<u>Male</u>	<u>Female</u>
55	2.29	2.59	80	1.29	1.35
56	2.23	2.51	81	1.27	1.33
57	2.16	2.44	82	1.26	1.30
58	2.10	2.37	83	1.24	1.28
59	2.04	2.30	84	1.23	1.26
60	1.99	2.23	85	1.21	1.24
61	1.93	2.17	86	1.20	1.23
62	1.88	2.10	87	1.19	1.21
63	1.83	2.04	88	1.18	1.19
64	1.79	1.99	89	1.17	1.18
65	1.74	1.93	90	1.16	1.17
66	1.70	1.88	91	1.15	1.15
67	1.66	1.83	92	1.14	1.14
68	1.62	1.78	93	1.12	1.13
69	1.58	1.74	94	1.11	1.12
70	1.55	1.69	95	1.10	1.10
71	1.52	1.65	96	1.09	1.09
72	1.48	1.61	97	1.07	1.07
73	1.45	1.57	98	1.06	1.06
74	1.43	1.53	99 - 115	1.04	1.04
75	1.40	1.50			
76	1.38	1.47			
77	1.35	1.43			
78	1.33	1.41			
79	1.31	1.38			



## PREMIUMS

We will accept any amount you send us as a premium payment while this policy is in force, subject to the Premium Limitation provision and these conditions:

1. The minimum initial premium shown in the Policy Data is payable on or before the Policy Date. Subsequent premiums may be sent to our Administrative Office or you may pay them to an agent we authorize. We will give you a receipt if you ask for one. Premiums received on or before the Policy Date will only begin to earn interest as of the Policy Date.
2. You must pay the Required Premium Per Year for the Base Policy for the Required Premium Period shown in the Policy Data. These premiums may be paid cumulatively in advance. At the end of each year in the Required Premium Period, we will calculate the cumulative total of all gross premiums paid for the base policy, less any partial surrenders and surrender penalty free withdrawals. We will divide this total by the number of years since the Policy Date. This amount must equal or exceed the Required Premium Per Year for the Base Policy for each year in the Required Premium Period, or your policy will enter the grace period.

If you request an increase in the face amount of this policy, then you must also pay the Layer Required Premium Per Year for that layer's Required Premium Period; the layer's Required Premium Period begins on the layer effective date. These premiums may be paid cumulatively in advance. At the end of each layer year in the layer's Required Premium Period, we will calculate the cumulative total of all gross premiums paid for that layer, less any partial surrenders and surrender penalty free withdrawals taken from that layer. We will divide this total by the number of years since the layer date. This amount must equal or exceed the Layer Required Premium Per Year for that layer's Required Premium Period. If this amount does not equal or exceed the Layer Required Premium Per Year, we will: (i) determine the cumulative total of all gross premiums paid for the base policy and any other layers, less any partial surrenders and surrender penalty free withdrawals; and, (ii) compare that total to the corresponding required premiums. If there is not enough extra premium to make up the difference, then your policy will enter the grace period.

3. You may pay premiums at any time prior to policy anniversary nearest age 100. Each premium must be at least \$25 and may not exceed the limits described in the Premium Limitation provision below.

If you stop paying premiums after the Required Premium Period, your coverage will continue until the net cash value is insufficient to pay the monthly deduction due. At that time, your policy will enter the grace period. (See Grace Period provision.)

Beginning with the policy anniversary nearest age 100, billing will cease and no further premium payments will be accepted.

**Premium Limitation** — We reserve the right to refund any unscheduled premium during a particular policy year if the total premium paid:

- (a) increases the difference between the death benefit and the accumulation value; and,
- (b) is more than \$20 per thousand of face amount and more than three times the total of the monthly deductions for the last year.

We also reserve the right to refund any unscheduled premiums that exceed \$25,000 in any 12-month period.

We will not refund any amount if doing so would cause your policy to enter the grace period before the next anniversary.

As of the end of any policy year, if the premiums paid exceed the amount allowable if this policy is to continue to qualify as a life insurance contract under Section 7702 of the Internal Revenue Code, as such Section in effect at the time this policy is issued, and the regulations thereunder, we will remove the excess amount of premiums paid from the policy, with interest, as of the end of that policy year. We will refund to you this excess amount (including interest) within 60 days after the end of that policy year.

Such an excess amount could occur, for example, as a result of a partial surrender or other change in the benefits or terms of the policy, since the premium amount allowable for the policy may be reduced.

The amount refundable will not exceed the net cash value of the policy. If the entire net cash value is refunded, we will treat the transaction as a full surrender of your policy.

**Continuation of Insurance** -- If you stop paying premiums, we automatically continue your policy at the same face amount and with any additional benefits provided by rider, subject to the grace period and any minimum premium requirements that may be in effect. Refer to the Premiums provision and the Monthly Deduction provision for further explanation.

**Grace Period** -- During the Required Premium Period, a grace period is a period of 60 days beginning on: (a) a policy anniversary on which the cumulative Required Premium Per Year for the Base Policy has not been paid (see first paragraph under number 2 of the Premiums provision); or, (b) a monthly policy date when the accumulation value minus any existing loan is less than the monthly deduction due. After the Required Premium Period and prior to the policy anniversary nearest age 100, a grace period is a period of 60 days beginning on a monthly policy date when the net cash value is less than the monthly deduction due.

If you request an increase in the face amount of this policy, then during the layer's Required Premium Period, a grace period is a period of 60 days beginning on: (a) a layer anniversary on which the cumulative Layer Required Premium Per Year has not been paid (see second paragraph under number 2 of the Premiums provision); or, (b) a monthly policy date when the accumulation value minus any existing loan is less than the monthly deduction due. After the layer's Required Premium Period and prior to the policy anniversary nearest age 100, a grace period is a period of 60 days beginning on a monthly policy date when the net cash value is less than the monthly deduction due for that layer and for all other layers and the base policy.

After policy anniversary nearest age 100, a grace period is a period of 60 days beginning on a policy anniversary on which the loan interest due has not been paid in cash and the accumulation value minus any existing loan is less than the loan interest due.

If your policy enters the grace period, we will let you know by sending a notice to your last known address. The notice will tell you the amount you must pay. The amount must be large enough to keep the base policy and any layers in force. You must pay this amount before the grace period ends. If you do not pay enough, your policy will lapse at the end of the 60 days. If there is any net cash value remaining at the end of the grace period, we will apply it to the Nonforfeiture Options. (See Nonforfeiture Options provision.)

During the grace period, we will not charge interest on the amount due. If the Insured dies during the grace period and before you pay the amount, we will subtract from the death benefit the amount required to provide insurance to the date the Insured died.

**Premium Qualification Credit** -- At the end of each policy year for the Required Premium Period, we will calculate the total of gross premiums paid for the base policy. (See first paragraph under number 2 of the Premiums provision.) From this total, we will subtract any partial surrenders and surrender penalty free withdrawals. If this result equals or exceeds the Required Premium Per Year for the Base Policy for each year of the Required Premium Period, we will deposit a premium qualification credit to your policy's accumulation value at the beginning of the next policy year.

If you request an increase in the face amount of this policy, then at the end of each layer year for the layer's Required Premium Period, we will also calculate the total of gross premiums paid for that layer. (See second paragraph under number 2 of the Premiums provision.) From this total, we will subtract any partial surrenders and surrender penalty free withdrawals taken from that layer. If this result equals or exceeds the Layer Required Premium Per Year for each year of the layer's Required Premium Period, we will deposit a premium qualification credit to that layer's accumulation value at the beginning of the next layer year.

We must receive enough premium as described above by the end of each policy year or layer year in the premium qualification period, or you will not receive a premium qualification credit for that policy year or layer year.

The amount of the credit will be a specific percentage of the Required Premium Per Year for the Base Policy and the Layer Required Premium Per Year. The Premium Qualification Credit Percentage and the Premium Qualification Credit Period are shown in the Policy Data.

**Reinstatement** -- If this policy lapses or is changed to Paid-Up Life Insurance or Extended Term Insurance, it may be reinstated provided it was not surrendered. To reinstate the policy, you must meet the following conditions:

1. You must request reinstatement in writing within three years after the date of lapse or change to Paid-Up Life Insurance or Extended Term Insurance, and before the Maturity Date.
2. The Insured must still be insurable by our standards.
3. If any loans existed when the policy lapsed or was changed to Paid-Up Life Insurance or Extended Term Insurance, you must repay or reinstate them, with interest. Interest will be compounded annually from the date of lapse or change to Paid-Up Life Insurance or Extended Term Insurance. Interest will be at the loan reinstatement interest rate of 5.50% (5.21 in advance) for a Class A loan and 8.00% (7.40 in advance) for a Class B loan.
4. The reinstated policy will be subject to the minimum premium requirement during the Required Premium Period. (See first paragraph under number 2 of the Premiums provision.) Any increase in the face amount of the base policy will also be subject to the minimum premium requirement during the layer's Required Premium Period. (See second paragraph under number 2 of the Premiums provision.) This means that the Required Premium Period will be calculated from the original Policy Date or original layer date; it will not start anew.

During the grace period, we will not charge interest on the amount due. If the Insured dies during the grace period and before you pay the amount, we will subtract from the death benefit the amount required to provide insurance to the date the Insured died.

**Premium Qualification Credit** -- At the end of each policy year for the Required Premium Period, we will calculate the total of gross premiums paid for the base policy. (See first paragraph under number 2 of the Premiums provision.) From this total, we will subtract any partial surrenders and surrender penalty free withdrawals. If this result equals or exceeds the Required Premium Per Year for the Base Policy for each year of the Required Premium Period, we will deposit a premium qualification credit to your policy's accumulation value at the beginning of the next policy year.

If you request an increase in the face amount of this policy, then at the end of each layer year for the layer's Required Premium Period, we will also calculate the total of gross premiums paid for that layer. (See second paragraph under number 2 of the Premiums provision.) From this total, we will subtract any partial surrenders and surrender penalty free withdrawals taken from that layer. If this result equals or exceeds the Layer Required Premium Per Year for each year of the layer's Required Premium Period, we will deposit a premium qualification credit to that layer's accumulation value at the beginning of the next layer year.

We must receive enough premium as described above by the end of each policy year or layer year in the premium qualification period, or you will not receive a premium qualification credit for that policy year or layer year.

The amount of the credit will be a specific percentage of the Required Premium Per Year for the Base Policy and the Layer Required Premium Per Year. The Premium Qualification Credit Percentage and the Premium Qualification Credit Period are shown in the Policy Data.

**Reinstatement** -- If this policy lapses or is changed to Paid-Up Life Insurance or Extended Term Insurance, it may be reinstated provided it was not surrendered. To reinstate the policy, you must meet the following conditions:

1. You must request reinstatement in writing within three years after the date of lapse or change to Paid-Up Life Insurance or Extended Term Insurance, and before the Maturity Date.
2. The Insured must still be insurable by our standards.
3. If any loans existed when the policy lapsed or was changed to Paid-Up Life Insurance or Extended Term Insurance, you must repay or reinstate them, with interest. Interest will be compounded annually from the date of lapse or change to Paid-Up Life Insurance or Extended Term Insurance. Interest will be at the loan reinstatement interest rate of 5.50% (5.21 in advance) for a Class A loan and 8.00% (7.40 in advance) for a Class B loan.
4. The reinstated policy will be subject to the minimum premium requirement during the Required Premium Period. (See first paragraph under number 2 of the Premiums provision.) Any increase in the face amount of the base policy will also be subject to the minimum premium requirement during the layer's Required Premium Period. (See second paragraph under number 2 of the Premiums provision.) This means that the Required Premium Period will be calculated from the original Policy Date or original layer date; it will not start anew.

The accumulation value of the policy (or any layer) on any specified date that falls between any two monthly policy dates is equal to:

1. the accumulation value on the last monthly policy date, plus accrued interest from the last monthly policy date to the specified date;
- plus 2. any premium qualification credit amount deposited to it on the last monthly policy date, plus accrued interest on that amount;
- plus 3. all net premiums paid into it less any refunds since the last monthly policy date, plus accrued interest from the date each premium is received in the Administrative Office to the specified date;
- minus 4. the monthly deduction charged against it on the last monthly policy date, plus accrued interest on that amount;
- minus 5. any partial surrenders and surrender penalty free withdrawals charged against it, including pro rata surrender penalties, since the last monthly policy date, plus accrued interest on that amount from each partial surrender date and/or surrender penalty free withdrawal date to the specified date.

A Table of Policy Values is included in this policy. It is based on the information you gave us when the policy was issued. The values shown may change as the declared interest rates, your premium payments, and other factors change from the illustrated data. Every year, we will send you a statement of actual policy values.

**Guaranteed Interest Rates** -- Except for premium received before the Policy Date, the net premium accrues interest from the date we receive it in the Administrative Office. Interest is credited monthly on each monthly policy date.

Premiums received on or before the Policy Date will only begin to earn interest as of the Policy Date. The guaranteed minimum interest rate for all policy years is shown in the Policy Data.

Prior to the policy anniversary nearest age 100, we may declare an interest rate higher than the guaranteed minimum at any time. We will never declare an interest rate that is lower than the guaranteed minimum interest rate. We may change this rate at any time without notice.

Beginning at policy anniversary nearest age 100, the policy accumulation value will accrue interest at the guaranteed minimum interest rate.

For Class A loans, the interest rate for any portion of the accumulation value equal to the amount of any existing policy loan will be the effective annual loan interest rate.

For Class B loans, the interest rate for any portion of the accumulation value equal to the amount of any existing policy loan will be the effective annual loan interest rate less 2.5%.

**Monthly Deduction Rates** -- We will determine the monthly deduction rate for each policy month at the beginning of that policy month. The monthly deduction rate for the base policy will depend on: the face amount of the policy; the Insured's sex; the Insured's smoker or nonsmoker status; the Insured's class of risk as of the Policy Date; the number of years that the policy has been in force; and the Insured's issue age.



A table of guaranteed maximum monthly deduction rates for the base policy is shown in the Policy Data. We may use rates lower than these guaranteed maximum monthly deduction rates. We will never use higher rates.

If you request an increase in the face amount of this policy, we will determine the monthly deduction rate for that layer at the beginning of each policy month. The monthly deduction rate for each layer will depend on: the face amount of the policy; the Insured's sex; the Insured's smoker or nonsmoker status; the Insured's class of risk as of the layer date; the number of years that the layer has been in force; and the Insured's layer issue age.

A table of guaranteed maximum monthly deduction rates for that layer will be shown in supplemental Policy Data pages that will be issued on the layer date. We may use rates lower than these guaranteed maximum monthly deduction rates. We will never use higher rates.

Any change in the monthly deduction rates will be prospective and will be subject to our expectations as to future cost factors. Such cost factors may include, but are not limited to: mortality; expenses; interest; persistency; and any applicable federal, state and local taxes.

**Guaranteed Maximum Monthly Expense Charge Per Thousand --** The guaranteed maximum monthly expense charge per thousand is shown in the Policy Data. We may use an expense charge which is lower than this guaranteed maximum monthly expense charge per thousand. We will never use higher expense charges.

**Monthly Deduction --** At the beginning of each policy month, we will take the monthly deduction for that policy month from the accumulation value of the policy (or of each layer, respectively). The monthly deduction is equal to:

- (a) the monthly deduction rate, times .001, times the difference between the death benefit and the accumulation value of the policy (or of each layer, respectively) at the beginning of the policy month;
- plus (b) the monthly deduction for any riders;
- plus (c) the policy fee;
- plus (d) the monthly expense charge per thousand times .001, times the face amount of the policy (or of each layer, respectively).

If a layer does not have enough accumulation value to pay a monthly deduction that is due, the monthly deduction for that layer will be taken from the accumulation value of the base policy.

## CASH VALUE

You may borrow the cash value, or take part of it or all of it as a partial or full surrender of the policy. All of these transactions are described in this section. We guarantee that the cash value always equals or exceeds the amount required by the law in effect at the time of issue in the jurisdiction in which the application for this policy was signed. Policy loans, partial surrenders and surrender penalty free withdrawals will be divided proportionately among the accumulation value of the base policy and its layer(s).

**Policy Loans --** If you request a policy loan prior to the tenth policy anniversary, we will handle it as a Class B loan. After the tenth policy anniversary, we will handle one loan request per year as a Class A loan, subject to the limitation shown in number 3 under the Class A Policy Loans provision. After the tenth policy anniversary, we will treat any loan request after the first request in any policy year as a Class B loan.



**Class A Policy Loan** -- After the tenth policy anniversary, we will make Class A loans subject to the following conditions:

1. Such a loan will only be allowed one time during a policy year.
2. The maximum amount allowed as a Class A loan in any one policy year will be the lesser of 10% of the accumulation value as of the request date or the maximum loan amount, as described in number 3 below.
3. The maximum loan amount is the accumulation value as of the date of the loan request, minus:
  - a. any existing policy loan(s); and,
  - b. interest on the amount of the loan to the end of the policy year; and,
  - c. the full surrender penalty or two monthly deductions, whichever is greater.
4. You must pay interest on the total loan balance each year in advance. The interest is due on the policy anniversary. The annual effective loan interest rate is 5.50% (5.21% in advance). If you do not pay the interest when it is due, we will add the amount of interest to the loan. We will charge interest on this amount at the same interest rate being charged on the loan.
5. You must assign the policy to us to the extent of the outstanding loan. If the Insured dies, we will deduct the outstanding loan from the death benefit before we pay the death benefit to the Beneficiary.
6. The loan will be secured by that portion of the accumulation value equal to the amount of the loan.

**Class B Policy Loan** -- We will make Class B loans subject to the following conditions:

1. The maximum amount allowed as a Class B loan is the accumulation value as of the date of the loan request, minus:
  - a. any existing policy loan(s); and,
  - b. interest on the amount of the loan to the end of the policy year; and,
  - c. the full surrender penalty or two monthly deductions, whichever is greater.
2. You must pay interest on the total loan balance each year in advance. The interest is due on the policy anniversary. The loan interest rate is 8.00% (7.40% in advance). If you do not pay the interest when it is due, we will add the amount of interest to the loan. We will charge interest on this amount at the same interest rate being charged on the loan.
3. You must assign the policy to us to the extent of the outstanding loan. If the Insured dies, we will deduct the outstanding loan from the death benefit before we pay the death benefit to the Beneficiary.
4. The loan will be secured by that portion of the accumulation value equal to the amount of the loan.

**Loan Repayment** -- You may repay any part of any outstanding loan at any time while the Insured is living and before the Maturity Date.

If you wish to make a loan repayment, you must tell us that the payment you send us is for that purpose. Unless your payment is clearly marked as a loan repayment, we will assume it is a premium payment unless it is received after the policy anniversary nearest age 100. When we receive a loan repayment, we will apply it to the portion of the accumulation value that secures the loan. If a payment would cause the policy to fail to qualify as a life insurance contract under Section 7702 of the Internal Revenue Code as such Section is in effect at that time, and the regulations thereunder, the portion of the payment that cannot be accepted as premium will be applied against any outstanding policy loans before a refund is made.

Loan repayments will first be applied to any outstanding Class B loans. Then, they will be applied to any outstanding Class A loans. Within the Class A and Class B loan categories, the repayments will be applied first to the loans with the most recent loan dates.

Your policy will not automatically lapse or be changed to Paid-Up Life Insurance or Extended Term Insurance if you do not repay a loan. However, the net cash value must be large enough to cover the monthly deduction due and any loan interest due not paid in cash. (See Grace Period provision for details.)

If the policy loan interest due is not paid in cash by you, a new loan of the same class (A or B) will be created to cover the interest. The new loan will have the same interest rate as the loan to which it is added (Class A or B). Any loan interest paid in cash by you will apply first to Class B loans, and then to Class A loans.

**Partial Surrender** -- At any time following the tenth day after you have received this policy, you may surrender a portion of this policy's net cash value by sending us a written request, subject to the limitations described below.

During the first 10 policy or layer years, a pro rata surrender penalty will be assessed on any surrender amount you request that exceeds the amount eligible for Surrender Penalty Free Withdrawal as described on the next page. Minimum pro rata surrender penalty is \$25. Surrender Penalties are shown in the Policy Data.

We deduct from the policy's accumulation value: (a) the surrender amount you request; plus (b) the pro rata surrender penalty on the surrender amount that exceeds the amount eligible for surrender without penalty. If you chose Death Benefit Option 1, we will also deduct from the policy's face amount: (a) the surrender amount you request that exceeds the amount eligible for surrender without penalty; plus (b) the pro rata surrender penalty on the surrender amount that exceeds the amount eligible for surrender without penalty. If the new face amount would be less than our published minimum for this plan, then the partial surrender will not be allowed.

In any policy year, the maximum amount that you may request and receive by partial surrender is:

- 1) the accumulation value;
- minus 2) any existing policy loans;
- minus 3) the sum of 3 monthly deductions;
- minus 4) the greater of \$25 or the full surrender penalty.

If you ask for an amount larger than the maximum described above, we will treat it as a request for full surrender of the policy.

During any required premium payment period, the sum of all surrender penalty free withdrawals and partial surrenders may not exceed the sum of all gross premiums paid, less the sum of all required premiums since the Policy Date. (See number 2 of the Premiums provision.)

**Surrender Penalty Free Withdrawal** -- At any time after the first policy year, you may make a withdrawal without incurring a pro rata surrender penalty. Such a withdrawal is subject to the limits outlined below. The minimum amount of a surrender penalty free withdrawal is \$100.

When you request a partial surrender in the second or later policy year, we will calculate the amount eligible for withdrawal without penalty. This amount will be the lesser of:

- (a) 10% of the policy's accumulation value as of the last monthly policy date, minus the sum of all surrender penalty free withdrawals since the last policy anniversary; or,
- (b) the maximum amount available as a partial surrender described on page 18.

During any required premium payment period, the sum of all surrender penalty free withdrawals and partial surrenders may not exceed the sum of all gross premiums paid less the sum of all required premiums since the Policy Date. (See number 2 of the Premiums provision.)

Whenever you request a partial surrender after the first policy year, we will process the amount that is eligible as a surrender penalty free withdrawal. The remainder of any amount you request will be processed as a partial surrender.

We will deduct the full partial surrender amount you request from the policy's accumulation value. We will not deduct that portion of your request that we treat as a surrender penalty free withdrawal from the policy's face amount.

#### **OPTION TO CHANGE THE FACE AMOUNT**

**Decreasing the Face Amount** -- You may request a decrease in the face amount of this policy if all the following conditions are met:

1. You must make a written request to us.
2. At the request date, this policy must be in force and the Insured must be living.
3. The amount of the reduction in face amount must be at least \$25,000.
4. The new face amount may not be less than our published minimum face amount for this plan.
5. The decrease of the face amount of this policy may cause a change in the monthly deduction rates to be charged.
6. A surrender penalty will result from the decrease in the face amount if the decrease is made during the 10 year surrender penalty period of the base policy or any layer.
7. If you request an increase in the face amount of this policy, and then at a later time you request a decrease in the face amount of this policy, we will apply the decrease in the following order. We will first apply the decrease to the newest layer. We will then successively apply the decrease in reverse order to any previous increases; we will begin with the next most recent layer. If the amount of the decrease is greater than the total of all previous increases, we will then apply the remaining decrease to a portion of the original face amount of this policy.

We will issue new Policy Data pages showing the new face amount. After the decrease, the monthly deduction rates and any future surrender penalties will be based on the new total face amount of this policy.

If the face amount of this policy is decreased during any Required Premium Period, we will recalculate the required premium per year for the remainder of the Required Premium Period based on the new face amount.

**Increasing the Face Amount** -- You may request an increase in the face amount of this policy. The following conditions will apply:

1. You must make a written request to us.
2. At the request date, this policy must be in force and the Insured must be living.
3. At the request date, the Insured must not be older than age 80.
4. The amount of the increase in face amount must be at least \$25,000.
5. You must submit satisfactory evidence that the Insured is still insurable by our standards.
6. The amount of the increase will be contestable and subject to the suicide limitation for two years after the effective date of the increase.
7. The death benefit option for the layer must be the same as the base policy.
8. If the base policy has a Waiver Provision attached, the layer must also.

The new coverage will be issued as a separate layer on this policy. It will have a Layer Required Premium Per Year, beginning on the layer date. It will also have its own surrender penalty period for 10 years, beginning on the layer date. The monthly deductions and values for that layer will be based on: the face amount of the layer; the Insured's sex; the Insured's smoker or nonsmoker status; the Insured's class of risk as of the layer date; and the Insured's layer issue age.

We will issue new Policy Data pages showing the new face amount. After the increase, the monthly deduction rates for the increase layer will be based on the new total face amount of this policy. Any future surrender penalties for that layer will be based on the face amount of that layer.

#### **NONFORFEITURE OPTIONS**

If you do not pay the minimum cumulative required premiums during the required premium period as described under number 2 in the Premiums provisions, your policy will enter the grace period. After the required premium period if you stop paying premiums your coverage will continue until the cash value minus any loan is insufficient to pay the monthly deduction due. At that time, your policy will enter the grace period (see Grace Period provision).

At the end of the grace period, if there is any remaining net cash value, we will apply the net cash value to one of the Nonforfeiture Options described in this section. The Nonforfeiture Options will be effective no later than 60 days after the date on which the premium was due. You may choose Option 1, Paid-Up Life Insurance, or Option 2, Extended Term Insurance, or Option 3, Full Surrender, any time within the 60 day grace period. If you do not choose an option in writing, Option 1, Paid-Up Life Insurance, will automatically take effect.

If you choose Option 3, Full Surrender, the surrender value within 60 days from the date the premium was due will not be less than the surrender value as of the date the premium was due, less any loans, partial surrenders (including pro rata surrender penalties) and surrender penalty free withdrawals made after the date the premium was due.

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**Option 1. Paid-Up Life Insurance** -- Subject to the conditions of this option, this policy may be continued as single premium Paid-Up Life Insurance.

The following conditions will apply:

- (a) If the policy has not reached the end of the grace period as described above and you wish to continue it as Paid-Up Life Insurance, the policy must be in force on the date you request the change.
- (b) When you exercise this option, this policy will be continued as Paid-Up Life Insurance.
- (c) The amount of Paid-Up Life Insurance is calculated by using the net cash value divided by the net single premium, times \$1,000, for the Insured's sex, the Insured's smoker or nonsmoker status, and the Insured's attained age. The net single premiums are shown in the tables on pages 23 and 24.  
  
If the difference between the amount of Paid-Up Life Insurance and the net single premium (net cash value of the original policy) for the Paid-Up Life Insurance is greater than the difference under this policy between the death benefit and the accumulation value on the date this option is exercised, then the amount of the Paid-Up Life Insurance elected under this option will be reduced accordingly. Any excess net cash value remaining after the purchase of Paid-Up Life Insurance will be refunded to you.
- (d) The effective date of the Paid-Up Life Insurance will be the date the premium was due before entering the grace period.
- (e) The net single premiums used for the single premium Paid-Up Life Insurance will be those in effect as of the date this option was exercised. However, they will not exceed the rates which are shown in the Tables of Maximum Net Single Premiums for Paid-Up Life Insurance per \$1,000 on pages 23 and 24.
- (f) There is a Table of Paid-Up Life Insurance per \$1,000 of Net Cash Value following the Table of Maximum Net Single Premiums for Paid-Up Life Insurance per \$1,000.
- (g) The Paid-Up Life Insurance will have cash values. The cash value of the Paid-Up Life Insurance is equal to the net single premium for the face amount of the Paid-Up Life Insurance based on the Insured's sex, the Insured's smoker or nonsmoker status, and the Insured's attained age, less any loans made after the effective date of the Paid-Up Life Insurance.
- (h) When you exercise this option, all riders will terminate.



**Option 2. Extended Term Insurance** -- Unless the class of risk shown on the Policy Data for the base policy and all subsequent layers is "Rated," you may continue this policy as non-participating extended term insurance. These conditions will apply:

- (a) The policy must be in force when you request the change.
- (b) You will surrender all rights under this policy except the right to reinstate, in exchange for the extended term policy.
- (c) We will calculate the face amount of the extended term policy in this way: this policy's face amount (including the face amount of all layers) less any loans as of the date of your request equals the extended term face amount.
- (d) We will calculate the length of the coverage period of the extended term policy by applying the net cash value of this policy as a net single premium for the extended term coverage.
- (e) We will issue and date the extended term policy as of the date you surrender this policy.
- (f) When you exercise this option, all riders will terminate.

**Option 3. Full Surrender** -- You may surrender this policy and all layers for the net cash value.

There is a Table of Surrender Penalties shown in the Policy Data. We will use the factors in the table to determine the surrender penalty we will apply. To calculate the full surrender penalty for the base policy, find the factor for the current policy year. Multiply this factor by the number of thousands of face amount of the base policy. This is the full surrender penalty for the base policy. There is no surrender penalty for the base policy after 10 policy years.

If you request an increase in the face amount of this policy, the new layer will have its own separate 10 year surrender penalty period. To calculate the full surrender penalty for that layer, find the factor for the current layer year. Multiply this factor by the number of thousands of face amount of that layer. This is the full surrender penalty for that layer. There is no surrender penalty for that layer after 10 layer years.

If you request a full surrender within 30 days of a policy anniversary, the surrender value will not be less than the surrender value on that anniversary, including any premium qualification credit, less any loans, partial surrenders (including pro rata surrender penalties), and surrender penalty free withdrawals made after the last policy anniversary.



**TABLE OF MAXIMUM NET SINGLE PREMIUMS  
FOR PAID-UP LIFE INSURANCE PER \$1,000**

Insured's Attained			Insured's Attained			Insured's Attained			Insured's Attained		
Age	Male	Female	Age	Male	Female	Age	Male	Female	Age	Male	Female
<b>NONSMOKER</b>											
0	79.53	68.09	25	164.09	145.75	50	374.41	332.00	75	716.38	669.87
1	78.86	68.12	26	169.39	150.66	51	386.37	342.52	76	729.10	684.91
2	81.03	70.03	27	174.94	155.74	52	398.61	353.31	77	741.45	699.68
3	83.36	72.08	28	180.74	161.01	53	411.10	364.36	78	753.44	714.20
4	85.80	74.23	29	186.80	166.48	54	423.84	375.65	79	765.15	728.51
5	88.37	76.49	30	193.11	172.14	55	436.80	387.20	80	776.61	742.60
6	91.08	78.85	31	199.68	178.01	56	449.97	399.00	81	787.80	756.45
7	93.95	81.34	32	206.51	184.10	57	463.34	411.08	82	798.67	769.97
8	96.99	83.93	33	213.59	190.40	58	476.91	423.46	83	809.14	783.07
9	100.18	86.65	34	220.92	196.93	59	490.68	436.18	84	819.12	796.64
10	103.52	89.49	35	228.52	203.68	60	504.62	449.24	85	828.55	807.65
11	107.01	92.45	36	236.37	210.66	61	518.73	462.64	86	837.44	819.08
12	110.61	95.52	37	244.49	217.87	62	532.96	476.35	87	845.84	829.99
13	114.28	98.69	38	252.86	225.29	63	547.30	490.31	88	853.83	840.41
14	117.98	101.97	39	261.50	232.93	64	561.70	504.47	89	861.56	850.46
15	121.69	105.33	40	270.40	240.78	65	576.10	518.77	90	869.16	860.23
16	125.43	108.80	41	279.56	248.85	66	590.49	533.19	91	876.80	869.86
17	129.20	112.37	42	288.99	257.13	67	604.87	547.75	92	884.67	879.53
18	133.03	116.05	43	298.69	265.62	68	619.21	562.48	93	893.02	889.43
19	136.97	119.86	44	308.66	274.35	69	633.54	577.43	94	902.18	899.83
20	141.03	123.79	45	318.92	283.31	70	647.83	592.62	95	912.35	910.95
21	145.23	127.86	46	329.45	292.53	71	662.04	608.02	96	923.66	922.94
22	149.62	132.09	47	340.26	302.01	72	675.91	623.55	97	935.99	935.69
23	154.22	136.48	48	351.35	311.74	73	689.74	639.12	98	948.88	948.81
24	159.04	141.04	49	362.74	321.73	74	703.26	654.59	99	961.53	961.53

**TABLE OF MAXIMUM NET SINGLE PREMIUMS  
FOR PAID-UP LIFE INSURANCE PER \$1,000**

Insured's Attained			Insured's Attained			Insured's Attained			Insured's Attained		
Age	Male	Female	Age	Male	Female	Age	Male	Female	Age	Male	Female
<b>SMOKER</b>											
0	95.14	75.97	25	201.50	165.79	50	441.26	366.62	75	752.28	689.34
1	95.17	76.34	26	207.88	171.35	51	453.69	377.22	76	762.47	703.06
2	98.01	78.59	27	214.55	177.10	52	466.26	388.02	77	772.22	716.46
3	101.04	80.99	28	221.52	183.06	53	478.96	399.02	78	781.59	729.58
4	104.20	83.51	29	228.81	189.23	54	491.75	410.19	79	790.69	742.49
5	107.52	86.15	30	236.39	195.61	55	504.58	421.54	80	799.57	755.19
6	111.02	88.90	31	244.26	202.20	56	517.46	433.07	81	808.23	767.69
7	114.70	91.79	32	252.41	209.01	57	530.37	444.81	82	816.65	779.91
8	118.59	94.81	33	260.85	216.05	58	543.32	456.81	83	824.75	791.77
9	122.66	97.98	34	269.57	223.34	59	556.32	469.11	84	832.43	803.20
10	126.92	101.27	35	278.56	230.84	60	569.38	481.73	85	839.68	814.00
11	131.37	104.72	36	287.83	238.60	61	582.47	494.68	86	846.54	824.36
12	135.96	108.29	37	297.37	246.57	62	595.55	507.89	87	853.11	834.15
13	140.66	111.98	38	307.16	254.73	63	608.58	521.32	88	859.56	843.65
14	145.44	115.80	39	317.19	263.09	64	621.48	534.83	89	865.86	852.77
15	150.29	119.73	40	327.46	271.62	65	634.21	548.40	90	872.18	861.87
16	154.90	123.69	41	337.95	280.33	66	646.76	561.98	91	878.73	870.92
17	159.53	127.78	42	348.64	289.17	67	659.15	575.64	92	885.77	880.10
18	164.19	131.99	43	359.54	298.18	68	671.38	589.40	93	893.61	889.64
19	168.97	136.32	44	370.64	307.37	69	683.50	603.37	94	902.39	899.83
20	173.86	140.81	45	381.94	316.74	70	695.52	617.56	95	912.35	910.95
21	178.92	145.45	46	393.41	326.30	71	707.40	631.97	96	923.66	922.94
22	184.17	150.26	47	405.08	336.07	72	719.10	646.49	97	935.99	935.69
23	189.68	155.25	48	416.95	346.04	73	730.53	660.97	98	948.88	948.81
24	195.45	160.43	49	429.01	356.23	74	741.60	675.29	99	961.53	961.53

**TABLE OF PAID-UP LIFE INSURANCE  
PER \$1,000 OF NET CASH VALUE**

Insured's Attained			Insured's Attained			Insured's Attained			Insured's Attained		
Age	Male	Female	Age	Male	Female	Age	Male	Female	Age	Male	Female
<b>NONSMOKER</b>											
0	12,573.87	14,686.44	25	6,094.22	6,861.06	50	2,670.87	3,012.05	75	1,395.91	1,492.83
1	12,680.70	14,679.98	26	5,903.54	6,637.46	51	2,588.19	2,919.54	76	1,371.55	1,460.05
2	12,341.11	14,279.59	27	5,716.25	6,420.96	52	2,508.72	2,830.38	77	1,348.71	1,429.22
3	11,996.16	13,873.47	28	5,532.81	6,210.79	53	2,432.50	2,744.54	78	1,327.25	1,400.17
4	11,655.01	13,471.64	29	5,353.32	6,006.73	54	2,359.38	2,662.05	79	1,306.93	1,372.66
5	11,316.06	13,073.60	30	5,178.40	5,809.23	55	2,289.38	2,582.64	80	1,287.65	1,346.62
6	10,979.36	12,682.31	31	5,008.01	5,617.66	56	2,222.37	2,506.27	81	1,269.36	1,321.96
7	10,643.96	12,294.07	32	4,842.38	5,431.83	57	2,158.24	2,432.62	82	1,252.08	1,298.75
8	10,310.34	11,914.69	33	4,681.87	5,252.10	58	2,096.83	2,361.50	83	1,235.88	1,277.03
9	9,982.03	11,540.68	34	4,526.53	5,077.95	59	2,037.99	2,292.63	84	1,220.82	1,256.85
10	9,659.97	11,174.43	35	4,375.98	4,909.66	60	1,981.69	2,225.98	85	1,206.93	1,238.16
11	9,344.92	10,816.66	36	4,230.66	4,746.99	61	1,927.79	2,161.51	86	1,194.12	1,220.88
12	9,040.77	10,469.01	37	4,090.15	4,589.89	62	1,876.31	2,099.30	87	1,182.26	1,204.83
13	8,750.44	10,132.74	38	3,954.76	4,438.72	63	1,827.15	2,039.53	88	1,171.19	1,189.90
14	8,476.01	9,806.81	39	3,824.09	4,293.14	64	1,780.31	1,982.28	89	1,160.69	1,175.83
15	8,217.60	9,493.97	40	3,698.22	4,153.17	65	1,735.81	1,927.64	90	1,150.54	1,162.48
16	7,972.57	9,191.18	41	3,577.05	4,018.49	66	1,693.51	1,875.50	91	1,140.51	1,149.61
17	7,739.94	8,899.17	42	3,460.33	3,889.08	67	1,653.25	1,825.65	92	1,130.36	1,136.97
18	7,517.10	8,616.98	43	3,347.95	3,764.78	68	1,614.96	1,777.84	93	1,119.80	1,124.32
19	7,300.87	8,343.07	44	3,239.81	3,644.98	69	1,578.43	1,731.81	94	1,108.43	1,111.32
20	7,090.69	8,078.20	45	3,135.58	3,529.70	70	1,543.61	1,687.42	95	1,096.07	1,097.76
21	6,885.63	7,821.05	46	3,035.36	3,418.45	71	1,510.48	1,644.68	96	1,082.65	1,083.49
22	6,683.60	7,570.60	47	2,938.93	3,311.15	72	1,479.49	1,603.72	97	1,068.39	1,068.73
23	6,484.24	7,327.08	48	2,846.16	3,207.80	73	1,449.82	1,564.65	98	1,053.87	1,053.95
24	6,287.73	7,090.19	49	2,756.80	3,108.20	74	1,421.95	1,527.67	99	1,040.01	1,040.01

**TABLE OF PAID-UP LIFE INSURANCE  
PER \$1,000 OF NET CASH VALUE**

Insured's Attained			Insured's Attained			Insured's Attained			Insured's Attained		
Age	Male	Female	Age	Male	Female	Age	Male	Female	Age	Male	Female
<b>SMOKER</b>											
0	10,510.83	13,163.09	25	4,962.78	6,031.73	50	2,266.24	2,727.62	75	1,329.29	1,450.66
1	10,507.51	13,099.29	26	4,810.93	5,836.01	51	2,204.15	2,650.97	76	1,311.53	1,422.35
2	10,203.04	12,724.27	27	4,660.92	5,646.53	52	2,144.73	2,577.19	77	1,294.97	1,395.75
3	9,897.07	12,347.20	28	4,514.27	5,462.69	53	2,087.86	2,506.14	78	1,279.44	1,370.65
4	9,596.93	11,974.61	29	4,370.44	5,284.57	54	2,033.55	2,437.89	79	1,264.72	1,346.82
5	9,300.60	11,607.66	30	4,230.30	5,112.21	55	1,981.85	2,372.25	80	1,250.67	1,324.17
6	9,007.39	11,248.59	31	4,094.00	4,945.60	56	1,932.52	2,309.10	81	1,237.27	1,302.61
7	8,718.40	10,894.43	32	3,961.81	4,784.46	57	1,885.48	2,248.15	82	1,224.51	1,282.20
8	8,432.41	10,547.41	33	3,833.62	4,628.56	58	1,840.54	2,189.09	83	1,212.49	1,262.99
9	8,152.62	10,206.16	34	3,709.61	4,477.48	59	1,797.53	2,131.70	84	1,201.30	1,245.02
10	7,878.98	9,874.59	35	3,589.89	4,332.00	60	1,756.30	2,075.85	85	1,190.93	1,228.50
11	7,612.09	9,549.27	36	3,474.27	4,191.11	61	1,716.83	2,021.51	86	1,181.28	1,213.06
12	7,355.10	9,234.46	37	3,362.81	4,055.64	62	1,679.12	1,968.93	87	1,172.18	1,198.83
13	7,109.34	8,930.17	38	3,255.63	3,925.73	63	1,643.17	1,918.21	88	1,163.39	1,185.33
14	6,875.69	8,635.58	39	3,152.68	3,800.98	64	1,609.06	1,869.75	89	1,154.92	1,172.65
15	6,653.80	8,352.13	40	3,053.81	3,681.61	65	1,576.76	1,823.49	90	1,146.55	1,160.27
16	6,455.78	8,084.73	41	2,959.02	3,567.22	66	1,546.17	1,779.42	91	1,138.01	1,148.21
17	6,268.41	7,825.95	42	2,868.29	3,458.17	67	1,517.11	1,737.20	92	1,128.96	1,136.23
18	6,090.50	7,576.33	43	2,781.33	3,353.68	68	1,489.47	1,696.64	93	1,119.06	1,124.05
19	5,918.21	7,335.68	44	2,698.04	3,253.41	69	1,463.06	1,657.36	94	1,108.17	1,111.32
20	5,751.75	7,101.77	45	2,618.21	3,157.16	70	1,437.77	1,619.28	95	1,096.07	1,097.76
21	5,589.09	6,875.21	46	2,541.88	3,064.66	71	1,413.63	1,582.35	96	1,082.65	1,083.49
22	5,429.77	6,655.13	47	2,468.65	2,975.57	72	1,390.63	1,546.81	97	1,068.39	1,068.73
23	5,272.04	6,441.22	48	2,398.37	2,889.84	73	1,368.87	1,512.93	98	1,053.87	1,053.95
24	5,116.40	6,233.25	49	2,330.95	2,807.18	74	1,348.44	1,480.85	99	1,040.01	1,040.01

**PAYMENT OF CASH  
VALUE AND LOANS**

We may delay paying you the partial or full surrender values of this policy for up to 6 months after we receive your written request for the surrender. We may delay making a loan to you for up to 6 months after we receive your written request for the loan. We will not delay any loan made to pay premiums due us on any policy.

**POLICY STATEMENTS  
AND ILLUSTRATIONS**

We will send you a statement at least once a year without charge showing: the face amount; accumulation value; cash value; loans; partial surrenders; surrender penalty free withdrawals; premium qualification credits; premiums paid; and charges as of the statement date. Upon written request at any time, we will send you an illustration of your policy's benefits and values. There will be no charge for the first such illustration in each policy year. We reserve the right to charge a \$25.00 administrative fee for any illustration after the first in any policy year.

**BASIS OF  
COMPUTATION**

The guaranteed cash values of the policy are not less than the minimum values required by the jurisdiction in which the application for this policy was signed. The guaranteed cash values are equal to the accumulation value based on the guaranteed monthly deductions and the guaranteed minimum interest rate shown in the Policy Data, less any surrender penalty.

Cash values will always meet or exceed minimum values on the statutory nonforfeiture basis. The basis for the extended term values is the Commissioners 1980 Extended Term Mortality Tables for males and females, age nearest birthday. The basis for all other values is the Commissioners 1980 Standard Ordinary Smoker or Nonsmoker Ultimate Mortality Tables for males or females, age nearest birthday. Deaths are assumed to occur at the end of the policy year.

As required, we have filed the method we used to compute minimum cash values and nonforfeiture benefits with the supervisory official of the jurisdiction in which the application for this policy was signed.

**GENERAL PROVISIONS**

**Incontestability of the Policy** -- This policy will be incontestable after it has been in force during the Insured's lifetime for two years from the date of issue. This provision does not apply to any rider providing benefits specifically for disability or death by accident.

If you request an increase in the face amount of this policy, this incontestability provision will start anew with respect to the increase, beginning on the layer date. The new incontestability period will be applicable only to the face amount of that layer.

**Amount We Pay is Limited in the Event of Suicide** -- If the Insured dies by suicide, while sane or insane, within two years from the date of issue, we will be liable only for the amount of premiums paid, less any partial surrenders, surrender penalty free withdrawals, loans and loan interest due.

If you request an increase in the face amount of this policy, this suicide provision will start anew with respect to the increase, beginning on the layer date. The new suicide period will be applicable only to the face amount of that layer.

**Misstatement of Age or Sex in the Application** -- If there is a misstatement of the Insured's age or sex in the application, we will adjust the excess of the death benefit over the accumulation value to that which would be purchased by the most recent monthly deduction at the correct age or sex. There will be no adjustment beyond age 100.

**The Policy is our Contract with You** -- We have issued this policy in consideration of the application and your initial premium payment. A copy of the application is attached and is part of this policy. The policy, including the application and any endorsements and riders, forms our contract with you. All statements made by or for the Insured will be considered representations and not warranties. We will not use any statement made by or for the Insured to deny a claim unless the statement is in the application and the application is attached to this policy when we issue or deliver it.

**Who Can Make Changes in the Policy** -- Only our President or a Vice President together with our Secretary have the authority to make any change in this policy. Any change must be in writing.

**Termination of Insurance** -- This policy will terminate at the earliest of:

1. the date we receive your written request to surrender or terminate;
2. the Maturity Date; or
3. the date of lapse.

**No Dividends are Payable** -- This is nonparticipating insurance. It does not participate in our profits or surplus. We do not distribute past surplus or recover past losses by changing the monthly deduction rates.

#### SETTLEMENT PROVISIONS

When the Insured dies while the policy is in force, we will pay the death benefit in a lump sum unless you or the Beneficiary choose a settlement option. You may choose a settlement option while the Insured is living. The Beneficiary may choose a settlement option after the Insured has died. The Beneficiary's right to choose will be subject to any settlement agreement in effect at the Insured's death.

You may also choose one of these options as a method of receiving the surrender or maturity proceeds, if any are available under this policy.

When we receive a satisfactory written request, we will pay the benefit according to one of these options:

**Option A: Instalments for a Guaranteed Period** -- We will pay equal instalments for a guaranteed period of from one to thirty years. Each instalment will consist of part benefit and part interest. We will pay the instalments monthly, quarterly, semi-annually or annually, as requested. See Table A on the last page.



**Option B: Instalments for Life with a Guaranteed Period ---**  
We will pay equal monthly instalments as long as the payee is living, but we will not make payments for less than the guaranteed period the payee chooses. The guaranteed period may be either 10 years or 20 years. We will pay the instalments monthly. See Table B on the last page.

**Option C: Benefit Deposited with Interest ---** We will hold the benefit on deposit. It will earn interest at the annual interest rate we are paying as of the date of death, surrender or maturity. We will not pay less than 2 1/2% annual interest. We will pay the earned interest monthly, quarterly, semi-annually or annually, as requested. The payee may withdraw part or all of the benefit and earned interest at any time.

**Option D: Instalments of a Selected Amount ---** We will pay instalments of a selected amount until we have paid the entire benefit and accumulated interest.

**Option E: Annuity ---** We will use the benefit as a single premium to buy an annuity. The annuity may be payable to one or two payees. It may be payable for life with or without a guaranteed period, as requested. The annuity payment will not be less than what our current annuity contracts are then paying.

The payee may arrange any other method of settlement as long as we agree to it. The payee must be an individual receiving payment in his or her own right. There must be at least \$10,000 available for any option and the amount of each instalment to each payee must be at least \$100. If the benefit amount is not enough to meet these requirements, we will pay the benefit in a lump sum.

We will pay the first instalment under any option on the date of death, maturity or surrender, whichever applies. Any unpaid balance we hold under Options A, B or D will earn interest at the rate we are paying at the time of settlement. We will not pay less than 3% annual interest. Any benefit we hold will be combined with our general assets.

If the payee does not live to receive all guaranteed payments under Options A, B, D or E or any amount deposited under Option C, plus any accumulated interest, we will pay the remaining benefit as scheduled to the payee's estate. The payee may name and change a successor payee for any amount we would otherwise pay the payee's estate.

**TABLE A****Instalments for Each \$1,000 Payable under Option A**

Multiply the Monthly Instalment by 11.83895 for Annual, by 5.96322 for Semi-Annual, or by 2.99263 for Quarterly Instalments

Guaranteed Period (Yrs.)	Monthly Instalment	Guaranteed Period (Yrs.)	Monthly Instalment	Guaranteed Period (Yrs.)	Monthly Instalment
1	\$84.47	11	\$8.86	21	\$5.32
2	42.86	12	8.24	22	5.15
3	28.99	13	7.71	23	4.99
4	22.06	14	7.26	24	4.84
5	17.91	15	6.87	25	4.71
6	15.14	16	6.53	26	4.59
7	13.16	17	6.23	27	4.48
8	11.68	18	5.96	28	4.37
9	10.53	19	5.73	29	4.27
10	9.61	20	5.51	30	4.18

**TABLE B****Monthly Instalment for Each \$1,000 Payable under Option B**

**Male Payee**

Guaranteed Period	Guaranteed Period	Guaranteed Period	Guaranteed Period	Guaranteed Period
Age 10 Yrs. 20 Yrs.	Age 10 Yrs. 20 Yrs.	Age 10 Yrs. 20 Yrs.	Age 10 Yrs. 20 Yrs.	Age 10 Yrs. 20 Yrs.
11 \$2.90 \$2.89	26 \$3.20 \$3.19	41 \$3.77 \$3.71	56 \$4.92 \$4.59	71 \$7.27 \$5.42
12 2.91 2.91	27 3.22 3.21	42 3.82 3.76	57 5.03 4.66	72 7.48 5.45
13 2.93 2.92	28 3.25 3.24	43 3.88 3.81	58 5.15 4.73	73 7.68 5.46
14 2.94 2.94	29 3.28 3.27	44 3.94 3.86	59 5.27 4.80	74 7.88 5.48
15 2.96 2.96	30 3.31 3.30	45 4.00 3.91	60 5.40 4.87	75 8.08 5.49
16 2.98 2.97	31 3.34 3.33	46 4.07 3.97	61 5.53 4.94	76 8.27 5.50
17 3.00 2.99	32 3.38 3.36	47 4.14 4.02	62 5.68 5.00	77 8.46 5.50
18 3.01 3.01	33 3.41 3.39	48 4.21 4.08	63 5.83 5.07	78 8.63 5.51
19 3.03 3.03	34 3.45 3.43	49 4.28 4.14	64 5.98 5.13	79 8.79 5.51
20 3.05 3.05	35 3.49 3.46	50 4.36 4.20	65 6.15 5.18	80 8.94 5.51
21 3.08 3.07	36 3.53 3.50	51 4.44 4.26	66 6.32 5.24	81 9.07 5.51
22 3.10 3.09	37 3.57 3.54	52 4.53 4.32	67 6.50 5.28	82 9.18 5.51
23 3.12 3.11	38 3.62 3.58	53 4.62 4.39	68 6.68 5.33	83 9.28 5.51
24 3.14 3.14	39 3.67 3.62	54 4.71 4.46	69 6.88 5.36	84 9.36 5.51
25 3.17 3.16	40 3.72 3.67	55 4.81 4.52	70 7.07 5.40	85 9.42 5.51

**Female Payee**

Guaranteed Period	Guaranteed Period	Guaranteed Period	Guaranteed Period	Guaranteed Period
Age 10 Yrs. 20 Yrs.	Age 10 Yrs. 20 Yrs.	Age 10 Yrs. 20 Yrs.	Age 10 Yrs. 20 Yrs.	Age 10 Yrs. 20 Yrs.
11 \$2.83 \$2.83	26 \$3.08 \$3.07	41 \$3.54 \$3.52	56 \$4.51 \$4.35	71 \$6.73 \$5.36
12 2.84 2.84	27 3.10 3.10	42 3.59 3.56	57 4.61 4.42	72 6.94 5.40
13 2.86 2.85	28 3.12 3.12	43 3.63 3.60	58 4.71 4.50	73 7.16 5.43
14 2.87 2.87	29 3.15 3.14	44 3.68 3.65	59 4.82 4.57	74 7.38 5.48
15 2.88 2.88	30 3.17 3.17	45 3.73 3.69	60 4.94 4.65	75 7.60 5.47
16 2.90 2.90	31 3.20 3.19	46 3.78 3.74	61 5.06 4.72	76 7.82 5.48
17 2.91 2.91	32 3.23 3.22	47 3.84 3.79	62 5.19 4.80	77 8.04 5.49
18 2.93 2.93	33 3.26 3.25	48 3.90 3.85	63 5.33 4.88	78 8.25 5.50
19 2.95 2.94	34 3.29 3.28	49 3.96 3.90	64 5.47 4.95	79 8.45 5.51
20 2.96 2.96	35 3.32 3.31	50 4.03 3.96	65 5.63 5.02	80 8.64 5.51
21 2.98 2.98	36 3.35 3.34	51 4.10 4.02	66 5.79 5.09	81 8.82 5.51
22 3.00 2.99	37 3.39 3.37	52 4.17 4.08	67 5.96 5.15	82 8.97 5.51
23 3.02 3.01	38 3.42 3.41	53 4.25 4.14	68 6.14 5.21	83 9.11 5.51
24 3.04 3.03	39 3.46 3.44	54 4.33 4.21	69 6.33 5.27	84 9.23 5.51
25 3.06 3.05	40 3.50 3.48	55 4.42 4.28	70 6.53 5.32	85 9.32 5.51

Ages younger than 11 are the same as shown for age 11, and ages older than 85 are the same as shown for age 85.

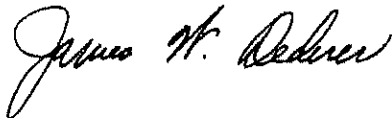
**RIGHT TO EXAMINE AND RETURN POLICY WITHIN 20 DAYS**

**ENDORSEMENT**

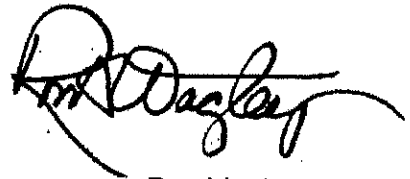
Transamerica Occidental Life Insurance Company has issued this endorsement as a part of the policy to which it is attached. It replaces the Right to Examine and Return Policy Within 10 Days provision on page 1 of the policy.

**Right to Examine and Return Policy Within 20 Days --** The owner may, at any time within 20 days after receipt of this policy, return it for cancellation to us or to the agent through whom it was purchased. The return of the policy will void it from the beginning and any premium paid will be refunded to the owner.

Signed for the Company at Los Angeles, California, on the date of issue of the policy.



Executive Vice President, General Counsel  
And Corporate Secretary



President

## TRANSAMERICA OCCIDENTAL LIFE INSURANCE COMPANY #9701

**EXTRA SURRENDER PENALTY FREE WITHDRAWAL ENDORSEMENT**

Transamerica Occidental Life Insurance Company has issued this endorsement as part of the policy to which it is attached.

Wherever the term "Surrender Penalty Free Withdrawal" appears in the policy to which this endorsement is attached, it is also meant to include the term "Extra Surrender Penalty Free Withdrawal". There is only one exception; that is in the section of the policy titled "Surrender Penalty Free Withdrawal", "(a)". That calculation of the eligible amount for surrender without penalty will NOT include "Extra Surrender Penalty Free Withdrawals".

**DEFINITIONS**

In this endorsement:

**Extra Withdrawal** means Extra Surrender Penalty Free Withdrawal.

**We** means Transamerica Occidental Life Insurance Company.

**Withdrawal** means Surrender Penalty Free Withdrawal.

**You** means the Owner.

This Extra Withdrawal may be taken in addition to the Withdrawal in the policy to which this endorsement is attached. If requested at the same time, the Extra Withdrawal will be processed first. Then, the Withdrawal will be processed based on the remaining accumulation value.

At any time after the first policy year, you may make an Extra Withdrawal without a partial surrender penalty; the limits are outlined below.

Your Extra Withdrawals may only be taken if we receive written proof that the Insured

requires medical care for one of these conditions: heart attack; stroke; cancer (malignant tumor); renal failure; or major organ transplant. This proof will consist of a doctor's certification acceptable to us. We may request additional medical information from the doctor submitting the certification or any doctor we deem qualified. While a request is pending, we reserve the right to obtain a second medical opinion; we also reserve the right to have the Insured examined at our expense.

The minimum amount of an Extra Withdrawal is \$100.

When you request an Extra Withdrawal, we will calculate the maximum amount eligible for surrender without a Company imposed penalty, as follows:

- 1) 10% of the policy's current accumulation value as of the request date;

less 2) the sum of all Extra Withdrawals since the last policy anniversary.

The total amount available from all Withdrawals, Extra Withdrawals and partial surrenders shall not exceed:

- 1) the current accumulation value as of the request date;

less 2) any existing policy loans;

less 3) the sum of three monthly deductions;

less 4) the greater of \$25 or the full surrender penalty.

During any required premium period, the total amount available from all Withdrawals, Extra Withdrawals and partial surrenders also may not exceed:

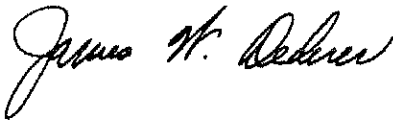
- 1) the sum of all gross premiums paid;
- less 2) the sum of all required premiums since the policy date.

(See # 2 of the Premiums provision in the policy.)

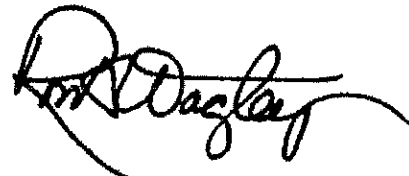
We will process an Extra Withdrawal for the eligible amount. The remainder, if any, of the amount you request will be processed first as a Withdrawal; any excess over that amount will be processed as a partial surrender.

We will deduct the amount withdrawn from the policy's accumulation value.

Signed for Transamerica Occidental Life Insurance Company at Los Angeles, California on the date of issue of this policy.



Executive Vice President, General Counsel  
And Corporate Secretary



President

**TRANSAMERICA OCCIDENTAL LIFE INSURANCE COMPANY**

**DEATH BENEFIT FACTORS ENDORSEMENT**

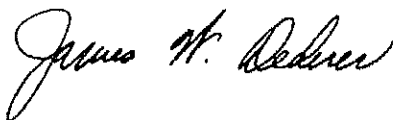
Transamerica Occidental Life Insurance Company has issued this endorsement as part of the policy to which it is attached. You do not pay any premium for this endorsement.

The Death Benefit Factors Tables, as they appear in the policy to which this endorsement is attached, are amended as follows:

**DEATH BENEFIT FACTORS**

Insured's Attained Age	Policy Years 1-10		Insured's Attained Age	Policy Years 11+	
	MALE	FEMALE		MALE	FEMALE
16	8.49	9.71	26	5.91	6.64
17	8.22	9.41	27	5.72	6.43
18	7.98	9.10	28	5.54	6.22
19	7.75	8.81	29	5.36	6.01
20	7.52	8.53	30	5.18	5.81
21	7.30	8.25	31	5.01	5.62
22	7.08	7.99	32	4.85	5.44
23	6.85	7.72	33	4.69	5.26
24	6.63	7.47	34	4.53	5.08
25	6.41	7.22	35	4.38	4.91
26	6.20	6.98	36	4.24	4.75
27	6.00	6.75	37	4.10	4.59
28	5.80	6.52	38	3.96	4.44
29	5.61	6.31	39	3.83	4.30
30	5.43	6.10	40	3.70	4.16
31	5.25	5.90	41	3.58	4.02
32	5.08	5.70	42	3.47	3.89
33	4.91	5.52	43	3.35	3.77
34	4.75	5.34	44	3.24	3.65
35	4.59	5.17	45	3.14	3.53
36	4.44	5.00	46	3.04	3.42
37	4.30	4.84	47	2.94	3.32
38	4.16	4.68	48	2.85	3.21
39	4.03	4.54	49	2.76	3.11
40	3.90	4.39	50	2.68	3.02
41	3.78	4.25	51	2.59	2.92
42	3.66	4.12	52	2.51	2.84
43	3.55	3.99	53	2.44	2.75
44	3.44	3.87	54	2.36	2.67

Signed for the Company at Los Angeles, California on the date of issue of this policy.



Executive Vice President, General Counsel  
And Corporate Secretary



President



**AUTOMATIC PREMIUM LOAN ENDORSEMENT**  
(for policies containing a Required Annual Premium)

Transamerica Occidental Life Insurance Company has issued this endorsement as a part of the policy to which it is attached.

When the Automatic Premium Loan provision is made effective by the owner in the application at the time of issue, any portion of the required annual premium which remains unpaid at the end of a grace period will be paid by automatic premium loan. These rules will apply:

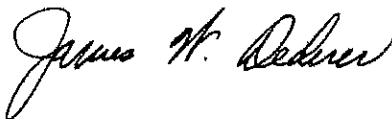
- (1) We will process an automatic premium loan if there is enough net cash value to pay both the required annual premium due and interest due on the automatic premium loan. If there is not enough net cash value to pay both the required annual premium due and the interest on the automatic premium loan, we will not make an automatic premium loan. The policy will then lapse subject to the nonforfeiture provision.

- (2) The Automatic Premium Loan will also be subject to all sections of this policy that pertain to policy loans.

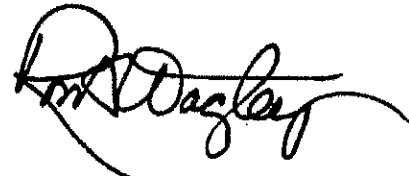
- (3) If the Automatic Premium Loan provision is made ineffective by the owner in the application at the time of issue, this provision may be requested by the owner. The request must be in the form of a written notice filed at our Home Office. This provision may also be cancelled by written notice by the owner filed in our Home Office.

The Automatic Premium Loan Provision will terminate at the end of the required annual premium period.

Signed for the Company at Los Angeles, California, on the date of issue of the policy.



Executive Vice President, General Counsel  
And Corporate Secretary



President

Transamerica Occidental Life Insurance Company has issued this endorsement as a part of policy number 60079202 ("the policy").

**NOTICE:** Benefits advanced under this option may be taxable. As with all tax matters, the Owner should consult a personal tax advisor to assess the impact of this benefit on the Owner and the policy.

While the policy is in force, we will pay an Accelerated Death Benefit to you, upon your request, subject to all the provisions and limitations of this endorsement.

#### DEFINITIONS

In this endorsement:

**Accelerated Death Benefit** is the amount we pay under this option.

**Administrative Fee** is the \$250.00 that will be charged at the time each Accelerated Death Benefit is paid.

**Effective Date** is the date we approve your written request to exercise this option.

**Immediate Family Members** are members of either the Insured's or Owner's family who may be described as follows: spouse (includes common law spouse), children, stepchildren, parents, grandparents, grandchildren, brothers and sisters and their spouses (includes common law spouse).

**Insured** means only the Insured covered under the policy and not any other individuals covered for additional riders or benefits.

**Physician** is an individual, other than the Insured, the Owner, or Immediate Family Member, who is a doctor of medicine or osteopathy, licensed in the jurisdiction in which the advice is given or diagnosis is made and who is acting within the scope of that license.

**Policy Basic Death Benefit** means the death benefit provided by the policy, any policy layer, any Supplemental Adjustable Life Insurance Rider and any level term rider on the life of the Insured. It does not include any death benefit provided by any other riders or benefits attached to the policy.

**Policy Charges** means any monthly deductions, any surrender charges or surrender penalties, or any other charges specified in the policy.

**Terminal Illness** is a medical condition, resulting from bodily injury or disease, or both, and:

- which has been diagnosed by a Physician after the issue date of the policy; and,
- for which the diagnosis is supported by clinical, radiological, laboratory or other evidence of the medical condition which is satisfactory to us; and,
- which is not curable by any means available to the medical profession; and,
- which a Physician certifies is expected to result in death within 12 months of diagnosis and the certification is within 30 days of the Accelerated Death Benefit request.

"You" and "Your" mean the Owner

#### LIMITATIONS

1. The availability of this option is subject to all the terms of the policy, including contestability and suicide.
2. No benefit will be paid if Terminal Illness results from intentionally self-inflicted injury(ies) at any time.
3. At each request to exercise this option, there must be at least 2 years remaining from the Effective Date to the expiry or maturity date of each portion of the Policy Basic Death Benefit.
4. The Owner may not exercise this option:
  - a) if required by law to use the Accelerated Death Benefit to meet the claims of creditors, whether in bankruptcy or otherwise, or
  - b) if required by a government agency to use the Accelerated Death Benefit in order to apply for, obtain, or otherwise keep a government benefit or entitlement, or
  - c) until there is only one surviving Joint Insured if the policy is a Joint and Last Survivor policy.
5. This option is not available if the maximum Accelerated Death Benefit has been paid.
6. The face amount of the policy on which this option is exercised must be at least \$50,000 at the time of the first written request.

**AMOUNT OF THE ACCELERATED DEATH BENEFIT**

1. The Owner can request an Accelerated Death Benefit payment in any amount subject to the following minimum and maximum. The minimum Accelerated Death Benefit allowed will be \$10,000. The maximum Accelerated Death Benefit allowed for all policies combined covering the Insured issued by the Company will be the lesser of \$250,000 or 75% of the combined Policy Basic Death Benefit for those policies as of the first Accelerated Death Benefit payment. If the first Accelerated Death Benefit payment is less than the maximum, then no more than the remaining balance of the maximum can be paid out later as an Accelerated Death Benefit.
2. If there is an outstanding loan on the policy, the Accelerated Death Benefit payment may be reduced to repay a prorata portion of the policy loan.
3. At the time we pay the Accelerated Death Benefit, if the policy is in the grace period, we will deduct any unpaid premium in accordance with the grace period provision in the policy.
4. The \$250.00 Administrative Fee will be deducted from each Accelerated Death Benefit payment.

**PREMIUM**

Premium billing and premium payment requirements will continue, subject to the adjustments described below.

**EFFECT OF THE ACCELERATED DEATH BENEFIT PAYMENT ON THE POLICY**

After an Accelerated Death Benefit is paid, the policy and any riders and benefits will remain in force subject to the following adjustments:

1. The Policy Basic Death Benefit after payment of an Accelerated Death Benefit will equal the amount of the Policy Basic Death Benefit before the payment of the Accelerated Death Benefit minus the result of multiplying (a) by (b), where:
  - (a) is the Accelerated Death Benefit; and
  - (b) is 1 (one) plus an interest rate that is the greater of,
    - (i) the federal interest rate under Internal Revenue Code (IRC) section 846(c)(2), or
    - (ii) the policy loan effective interest rate.

2. The Policy Basic Death Benefit, and, if applicable, the policy's face amount, accumulation value, cash value, policy loan, and required premium will be adjusted as of the Effective Date. The adjustments to the Policy Basic Death Benefit will be made in the following order: (1) level term rider(s) on the Insured, if any, beginning with the most recent rider; (2) policy layer(s), if any, beginning with the most recent layer; and, (3) remaining portions of the Policy Basic Death Benefit. New Policy Charges and premiums will be based on the rates in effect for the policy's resulting face amount.

3. We will provide new policy data pages showing the reduced coverage amount resulting from the Accelerated Death Benefit payment.

**EXERCISING THE OPTION**

We must receive a written request to exercise this option at the Home Office or our designated Administrative Office within 30 days after the certification of diagnosis of the Terminal Illness, or as soon as reasonably possible. The request should include the name of the Insured, the policy number and, must be signed and dated by the Owner. If the policy has an irrevocable beneficiary, that person(s) must also sign the request. If the policy is assigned, we must receive a completed and signed release of assignment. If the policy was issued in a community property state, we may require your spouse to sign the request.

**PROOF OF TERMINAL ILLNESS**

We must receive written proof of the Insured's Terminal Illness before we make an Accelerated Death Benefit payment. This proof will consist of a Physician's certification acceptable to us. We may request additional medical information from the Physician submitting the certification or any Physician we consider qualified.

**PHYSICAL EXAMINATION**

While a claim is pending, we reserve the right to obtain a second medical opinion and to have the Insured examined at our expense.

**TIME OF PAYMENT OF CLAIMS**

After we receive satisfactory written proof of Terminal Illness, we will pay the Accelerated Death Benefit due.

**PAYMENT OF CLAIMS**

If approved, the Accelerated Death Benefit will be paid in a lump sum to the Owner. If the Insured dies before payment is made, we will pay the entire death benefit of the policy to the Beneficiary in accordance with the policy provisions.

**LEGAL ACTIONS**

No legal action may be brought to recover the payment requested under this option within 60 days after written proof of Terminal Illness has been given to us. No such action may be brought after 3 years from the time written proof of the Insured's Terminal Illness has been given to us.

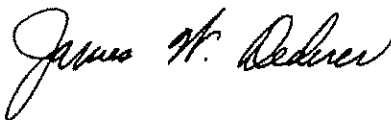
**LIVING BENEFIT RIDER**

If the policy contains a Living Benefit Rider and there is a simultaneous request to exercise the Living Benefit and the Accelerated Death Benefit Option, the Living Benefit request will be processed first; the Accelerated Death Benefit Option request will be processed second and will be based on the adjusted policy values resulting after payment of the Living Benefit.

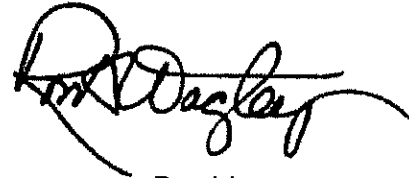
**TAX QUALIFICATION**

Any amount payable under this option is intended to qualify for federal income tax exclusion (to the maximum extent possible). To that end, the provisions of this endorsement and the policy to which it is attached are to be interpreted to ensure or maintain such tax qualification, notwithstanding any other provisions to the contrary. The Company reserves the right to amend this endorsement and the policy to which it is attached to reflect any clarifications that may be needed or are appropriate to maintain such qualification, or to conform this endorsement and the policy to which it is attached to any applicable changes in the tax qualification requirements. You will be sent a copy of any such amendment.

Signed for the Company at Los Angeles, California, on the date of issue of the policy unless a different date is shown here.



Executive Vice President, General Counsel  
And Corporate Secretary



President

Life Insured: GERALD R LYONS

The Application for Policy No. 60079202

is amended as follows:

QUESTION 5 PART 1: REQUIRED ANNUAL PREMIUM IS \$2,690.00  
WITH A PLANNED PERIODIC PREMIUM OF \$235.00 MONTHLY.

is agreed that this amendment shall be part of the application for the policy.

Witnessed at \_\_\_\_\_ on \_\_\_\_\_ Date \_\_\_\_\_

Witness to all signatures (Licensed Resident Agent, as required)

GERALD R LYONS

**Life Insurance  
Minimum Premium Requirement  
Shown in the Policy Data  
Flexible Premiums Payable Thereafter  
During Life of Insured Prior to Age 100  
Subject to the Limitations Described  
in the Premiums Provision**

**Death Benefit Payable at Death of  
Insured Before Age 115  
Net Cash Value Payable at  
Policy Anniversary Nearest Age 115**

**Nonparticipating - No Annual Dividends**







TRANSAMERICA  
OCCIDENTAL LIFE®

Transamerica Occidental  
Life Insurance Company  
1150 South Olive Street  
Los Angeles, CA 90015

POLICY FORM TRUL-PC  
Individual Life Insurance

4

INSURED

GERALD R LYONS

92531113

POLICY NUMBER

FACE AMOUNT

\$250,000

AUG 22 1995

DATE OF ISSUE

While this policy is in force, Transamerica Occidental Life Insurance Company will pay the death benefit to the beneficiary if the Insured dies before the policy anniversary nearest the Insured's age 95, or will pay the net cash value to the owner on the policy anniversary nearest the Insured's age 95 if the Insured is living on that date. All payments are subject to the provisions of this policy.

Signed for the Company at Los Angeles, California, on the date of issue.

Executive Vice President, General Counsel  
And Corporate Secretary

President

Right to Examine and Return Policy Within 10 Days -- At any time within 10 days after you receive this policy, you may return it to us or the agent through whom you bought it. We will cancel the policy and void it from the beginning. We will refund to you any premiums paid.

**Life Insurance**

**Minimum Premium Requirement  
for the First Ten Policy Years**

**Flexible Premiums Payable Thereafter  
During Life Of Insured to Age 95  
Subject to the Limitations Described  
in the Premiums Provision**

**Death Benefit Payable at Death of  
Insured Before Age 95  
Net Cash Value Payable at  
Insured's Age 95**

**Nonparticipating - No Annual Dividends**

This policy is a legal contract between you, the Policy Owner, and Transamerica Occidental Life Insurance Company.

## READ YOUR POLICY CAREFULLY

### POLICY SUMMARY

We will pay the death benefit to the Beneficiary if the Insured dies before the Maturity Date.

You must pay at least the minimum premium per year during the first 10 policy years or the policy will lapse. After that, you may vary the amount of premiums and how often you pay them, within certain limits. Generally, you may pay premiums as long as the Insured is living. If the Insured is living at the policy anniversary nearest age 95, we will pay the net cash value to you.

Additional benefits, if any, are provided by rider.

This is only a brief description. The insurance is fully described in the various provisions of the policy.

### GUIDE TO POLICY PROVISIONS

Page	Page
Accumulation Values.....8	Payment of Cash Values and Loans..... 14
Application Copy.....after 18	Payment of Death Benefit.....5
Beneficiary's Rights.....5	Policy Data .....2,2A,2B,2C
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Definitions.....4	Premium Qualification Credit.....7
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Misstatement of Age..... 14	Table of Annualized Guaranteed Monthly Deduction Rates.....2A
Nonforfeiture Options..... 11	Table of Maximum Guaranteed Monthly Expense Charges.....3
Ownership Provision.....4	Table of Surrender Penalties..... 13
Option to Reduce the Face Amount..... 12	

CLASS A LOAN		JUN 23 1996	POLICY DATE
INTEREST RATE	5.21% IN ADVANCE		
CLASS B LOAN			REINSTATEMENT
INTEREST RATE	7.40% IN ADVANCE	6.00%	INTEREST RATE
INSURED	GERALD R LYONS	49	AGE OF INSURED
		92531113	POLICY NUMBER
FACE AMOUNT	\$250,000	AUG 22 1995	DATE OF ISSUE
DEATH BENEFIT			
OPTION	OPTION I	PREFERRED	CLASS OF RISK
OWNER	THE INSURED	NON-SMOKER	

THE CHARGE FOR ANY ADDITIONAL BENEFITS WHICH ARE PROVIDED BY RIDER IS SHOWN BELOW. ONLY A BRIEF DESCRIPTION IS GIVEN. THE COMPLETE PROVISIONS ARE INCLUDED IN THE RIDER.

RIDER NUMBER	SCHEDULE OF ADDITIONAL BENEFITS	ANNUAL PREMIUM
NONE		NO CHARGE

PLANNED PERIODIC PREMIUMS: \$1,622.00 SEMI-ANNUALLY  
 REQUIRED PREMIUM PER YEAR IN POLICY YEARS 1-10: \$3,244.00  
 PREMIUM QUALIFICATION CREDIT PERIOD: 10 YEARS  
 PREMIUM QUALIFICATION CREDIT PERCENTAGE: 2 %

GUARANTEED MONTHLY POLICY FEE: POLICY YEAR 1 - \$4.00  
 POLICY YEARS 2 AND LATER - NOT TO EXCEED \$10.0

GUARANTEED MONTHLY EXPENSE CHARGE: POLICY YEARS 1 - 10 - \$0.00  
 POLICY YEARS 11 AND LATER - SEE PAGE 3

NOTE: THIS POLICY MAY TERMINATE PRIOR TO THE INSURED'S AGE 95 IF:  
 (1) THE ACCUMULATION VALUE MINUS ANY LOAN(S) IS LESS THAN THE MONTHLY DEDUCTION DUE, OR  
 (2) THE REQUIRED PREMIUMS IN THE FIRST 10 YEARS ARE NOT PAID.

## TABLE OF ANNUALIZED GUARANTEED MAXIMUM MONTHLY DEDUCTION RATES PER \$1,000 \*

POLICY YEAR BEGINNING	POLICY EXCLUDING RIDERS	POLICY YEAR BEGINNING	POLICY EXCLUDING RIDERS
JUN 23 1996	\$4.17	JUN 23 2019	\$42.56
JUN 23 1997	4.17	JUN 23 2020	47.44
JUN 23 1998	4.17	JUN 23 2021	52.92
JUN 23 1999	4.17	JUN 23 2022	58.80
JUN 23 2000	4.17	JUN 23 2023	65.06
JUN 23 2001	4.17	JUN 23 2024	71.64
JUN 23 2002	4.17	JUN 23 2025	78.47
JUN 23 2003	4.17	JUN 23 2026	85.72
JUN 23 2004	4.17	JUN 23 2027	93.67
JUN 23 2005	4.17	JUN 23 2028	102.52
JUN 23 2006	11.47	JUN 23 2029	112.52
JUN 23 2007	12.64	JUN 23 2030	123.79
JUN 23 2008	13.94	JUN 23 2031	136.11
JUN 23 2009	15.42	JUN 23 2032	149.20
JUN 23 2010	17.11	JUN 23 2033	162.80
JUN 23 2011	19.02	JUN 23 2034	176.79
JUN 23 2012	21.13	JUN 23 2035	190.89
JUN 23 2013	23.40	JUN 23 2036	205.29
JUN 23 2014	25.86	JUN 23 2037	220.19
JUN 23 2015	28.50	JUN 23 2038	235.84
JUN 23 2016	31.38	JUN 23 2039	252.75
JUN 23 2017	34.63	JUN 23 2040	271.63
JUN 23 2018	38.91	JUN 23 2041	295.65

\* TO FIND THE AMOUNT OF MONTHLY DEDUCTION DURING EACH POLICY YEAR, SEE THE GUARANTEED VALUES SECTION. A POLICY FEE OF \$4.00 WILL BE ADDED INTO EACH MONTHLY DEDUCTION FOR THE FIRST POLICY YEAR. IN SUBSEQUENT YEARS THE MONTHLY POLICY FEE WILL NOT EXCEED \$10.00. A MONTHLY EXPENSE CHARGE WILL ALSO BE ADDED TO EACH MONTHLY DEDUCTION BEGINNING IN POLICY YEAR 11 (SEE PAGE 3).

TO DETERMINE THE EQUIVALENT MONTHLY DEDUCTION RATES, DIVIDE THE ANNUALIZED MONTHLY DEDUCTION RATES SHOWN ABOVE BY 12.

THE RATES SHOWN ABOVE FOR THE FIRST 10 POLICY YEARS ARE CURRENT RATES THAT ARE GUARANTEED FOR THE FIRST 10 POLICY YEARS. THE RATES FOR YEARS 11 AND AFTER ARE THE GUARANTEED MAXIMUM RATES.

TABLE OF POLICY VALUES AND BENEFITS

ILLUSTRATIVE PREMIUMS (1)  
GUARANTEED BASIS (2)

END OF POLICY YEAR	PLANNED ANNUALIZED PREMIUM	DEATH BENEFIT	ACCUMULATION VALUE(3)	CASH VALUE (4)
1	\$3,244.00	\$250,000	\$2,097	\$0
2	3,244.00	250,000	4,281	0
3	3,244.00	250,000	6,562	1,312
4	3,244.00	250,000	8,943	4,193
5	3,244.00	250,000	11,431	7,431
6	3,244.00	250,000	14,028	10,778
7	3,244.00	250,000	16,740	14,240
8	3,244.00	250,000	19,572	17,822
9	3,244.00	250,000	22,529	21,779
10	3,244.00	250,000	25,617	25,617
11	3,244.00	250,000	26,884	26,884
12	3,244.00	250,000	27,883	27,883
13	3,244.00	250,000	28,640	28,640
14	3,244.00	250,000	29,105	29,105
15	3,244.00	250,000	29,216	29,216
16	3,244.00	250,000	28,904	28,904
17	3,244.00	250,000	28,098	28,098
18	3,244.00	250,000	26,730	26,730
19	3,244.00	250,000	24,715	24,715
20	3,244.00	250,000	21,960	21,960
AGE 60	3,244.00	250,000	26,884	26,884
AGE 65	3,244.00	250,000	28,904	28,904

- 
- (1) THE ACCUMULATION AND CASH VALUES RESULT FROM THE INTEREST RATES, MONTHLY DEDUCTIONS, PREMIUM QUALIFICATION CREDITS AND THE TIMELY PAYMENT OF THE PLANNED ANNUALIZED PREMIUMS. PARTIAL SURRENDERS, SURRENDER-PENALTY-FREE WITHDRAWALS OR LOANS MAY CHANGE THESE RESULTS.
- (2) RESULTS CALCULATED ON A GUARANTEED BASIS REFLECT GUARANTEED MONTHLY DEDUCTION RATES AND THE CUMULATIVE GUARANTEED INTEREST RATE OF 4.00%.
- (3) ACCUMULATION VALUES ILLUSTRATED ON A GUARANTEED BASIS REFLECT ACCUMULATED NET PREMIUMS AND PREMIUM QUALIFICATION CREDIT AMOUNTS PLUS ACCRUED INTEREST AT THE CUMULATIVE GUARANTEED INTEREST RATE LESS ACCRUED GUARANTEED MAXIMUM MONTHLY DEDUCTIONS WHICH INCLUDE THE POLICY FEE, THE MONTHLY EXPENSE CHARGE AND THE COST OF ANY RIDERS. WHILE A POLICY LOAN(S) EXISTS, THE INTEREST RATE APPLICABLE TO THE ACCUMULATION VALUE SECURING THE LOAN(S) MAY DIFFER FROM THE INTEREST RATE APPLICABLE TO THE ACCUMULATION VALUE NOT SECURING THE LOAN(S).



THE REDUCED PAID-UP VALUES (MAXIMUM NET SINGLE PREMIUMS AND FACE AMOUNTS PER THOUSAND) ARE SHOWN IN THE POLICY AFTER THE NONFORFEITURE OPTIONS PROVISION.

- (4) THE DIFFERENCE BETWEEN THE ACCUMULATION VALUE AND THE CASH VALUE IS THE SURRENDER PENALTY.

CURRENT MONTHLY DEDUCTION RATES AND MONTHLY EXPENSE CHARGES ARE NOT GUARANTEED AFTER POLICY YEAR 10, NOR ARE THEY ESTIMATES FOR THE FUTURE. POLICY FEES ARE NOT GUARANTEED AFTER THE FIRST POLICY YEAR, NOR ARE THEY ESTIMATES FOR THE FUTURE.

PREMIUMS ARE SUBJECT TO REFUND UNDER CONDITIONS DESCRIBED IN THE POLICY.

**MAXIMUM GUARANTEED ANNUALIZED MONTHLY EXPENSE CHARGES  
PER THOUSAND OF FACE AMOUNT**

**POLICY YEARS 1-10**

ISSUE AGE	NON-SMOKER	SMOKER	ISSUE AGE	NON-SMOKER	SMOKER
45-64	0	0	65-80	0	0

**POLICY YEARS 11 AND LATER**

ISSUE AGE	NON-SMOKER	SMOKER	ISSUE AGE	NON-SMOKER	SMOKER
45	.48	2.13	65	10.73	18.22
46	.59	2.71	66	11.39	18.54
47	.74	3.36	67	13.38	21.68
48	.92	4.05	68	15.62	25.09
49	1.14	4.81	69	18.10	28.65
50	1.21	5.15	70	20.86	32.15
51	1.28	5.49	71	23.77	35.14
52	1.59	6.26	72	27.07	37.13
53	1.98	7.04	73	30.62	37.51
54	2.43	7.46	74	34.38	37.89
55	2.62	7.88	75	38.13	38.13
56	2.81	8.31	76	42.57	42.57
57	3.49	8.75	77	47.63	47.63
58	4.29	9.87	78	50.12	50.12
59	5.24	11.22	79	53.89	53.89
60	5.68	11.37	80	56.76	56.76
61	6.07	11.54			
62	7.37	13.34			
63	8.83	15.47			
64	10.49	17.98			

TO DETERMINE THE EQUIVALENT MONTHLY EXPENSE CHARGES, DIVIDE THE ANNUALIZED MONTHLY EXPENSE CHARGES SHOWN ABOVE BY 12.

**DEFINITIONS**

The **Net Cash Value** is the cash value less any existing loans.

In this policy:

**We, our or us** means Transamerica Occidental Life Insurance Company.

**You and your** means the **Owner** of this policy.

**Accumulation Value** is the policy's total value as described in the **Accumulation Values** section.

**Age** means the Insured's age on the nearest birthday.

The **Beneficiary** is the person to whom we will pay the death benefit if the Insured dies.

**Cash Value** means the accumulation value as described in the **Accumulation Values** section, less any surrender penalty.

**Home Office** means Transamerica Occidental Life Insurance Company, Box 2101, Los Angeles, California, 90051-0101.

**Lapse** means termination of the policy at the end of the **Grace Period** due to insufficient premium or accumulation value. If there is remaining net cash value at the end of the **Grace Period**, it will be applied to the **Nonforfeiture Option**.

A **Policy Loan** is indebtedness to us for a loan secured by this policy.

The **Maturity Date** is the policy anniversary nearest the Insured's age 95.

The **Maximum Loan Value** is the largest amount you may borrow under the loan provisions.

A **Monthly Deduction** is an amount we withdraw from the accumulation value on the monthly policy date.

The **Monthly Deduction** is equal to

- (a) the monthly deduction rate, times .001, times the difference between the death benefit and the accumulation value at the beginning of the policy year,
- plus (b) the monthly deduction for any riders,
- plus (c) the policy fee as shown in the **Policy Data**,
- plus (d) the monthly expense charge per thousand of face amount as shown on page 3, times .001, times the face amount.

A **Net Premium** is 96% of any premium you pay.

**Reinstate** means to restore coverage after the policy has lapsed.

The **Required Premium Per Year** is the minimum amount of premium you must pay in each of the first ten policy years.

A **rider** is an attachment to the policy that provides an additional benefit.

**Written Request** means a signed request in a form satisfactory to us that is received at our Home Office.

We will send any notice under the provisions of this policy to your last known address and to any assignee of record.

We will use the **Policy Date** shown in the policy data to determine the monthly dates, policy anniversaries and policy years.

**OWNERSHIP**

**Owner of the Policy** -- Only you, the Owner, are entitled to the rights granted under this policy while the Insured is living. If you are an individual and you die before the Insured, your rights will pass to the executor or administrator of your estate for disposition unless stated otherwise in this policy. If the Owner is a partnership, the rights belong to the partnership as it exists when a right is exercised.

**Assignment of the Policy** -- We are not responsible for the adequacy of any assignment. However, if you file the assignment with us and we record it at our Home Office, your rights and those of any revocable beneficiary will be subject to it.

## THE BENEFICIARY

**Who Receives the Death Benefit --** When the Insured dies, we will pay the death benefit to the beneficiary. The beneficiary is as designated in the application, unless changed as shown under "How to Change a Beneficiary" below. If the beneficiary is a partnership, we will pay the death benefit to the partnership as it existed when the Insured died.

**Protection of the Death Benefit --** To the extent permitted by law, no death benefit will be subject to the claims of the beneficiary's creditors or to any legal process against the beneficiary.

**If the Beneficiary Dies --** If any beneficiary dies before the Insured, that beneficiary's interest in the death benefit will end. If any beneficiary dies at the same time as the Insured, or within 30 days after the Insured, that beneficiary's interest in the death benefit will end if no benefits have been paid to that beneficiary. If the interest of all designated beneficiaries has ended when the Insured dies, we will pay the death benefit to you. If you are not living at that time, we will pay the death benefit to the executor or administrator of your estate.

**How to Change a Beneficiary --** You may change the designated beneficiary by sending a satisfactory written notice to us. The change will not be effective until we record it at our Home Office. Even if the Insured is not living when we record the change, the change will take effect as of the date it was signed. However, any benefits we pay before we record the change will not be subject to the change.

A beneficiary designated irrevocably may not be changed without the written consent of that beneficiary.

## PAYMENT OF THE DEATH BENEFIT

**Proof of Death --** We will pay any benefit payable because of death when we receive due proof of the Insured's death. The proof must be sent to us at our Home Office. We will send appropriate forms to the beneficiary upon request. Any of our agents will help the beneficiary fill out the forms without charge. We will send all payments from our Home Office.

**Death Benefit --** The amount of the death benefit may be affected by other policy provisions, such as Policy Loans, Misstatement of Age or Sex, or Partial Surrenders.

**Death Benefit Option --** The death benefit will be based on whether you have chosen Option I or Option II, as shown on page 2 of the Policy Data.

**Option I:** The death benefit will be the greater of:

- (a) the face amount plus the net increase, if any, in the accumulation value from the last policy anniversary to the date of the Insured's death; or
- (b) the death benefit factor times the accumulation value as of the date of the Insured's death.

**Option II:** The death benefit will be the greater of:

- (a) the face amount plus the accumulation value as of the date of the Insured's death; or
- (b) the death benefit factor times the accumulation value as of the date of the Insured's death.

In no event will the amount of death benefit be less than the amount needed to continue to qualify the policy as a life insurance contract under Section 7702 of the Internal Revenue Code, as such section is in effect at the time this policy is issued and the regulations thereunder.

We will reduce the death benefit by any existing policy loans, by the portion of the grace period premium necessary to provide insurance to the date of the Insured's death, and by the pro rata portion of the monthly deduction for the period from the last monthly date to the date of death.

The net increase in accumulation value is equal to:

- (a) the sum of all net premiums less any refunds since the last policy anniversary,
- plus (b) accrued interest from the last policy anniversary to the date of death,
- plus (c) any Premium Qualification Credits,
- minus (d) the sum of accrued monthly deductions from the last policy anniversary to the date of death,
- minus (e) the sum of Partial surrender amounts, Partial Surrender penalties and Surrender-Penalty-Free Withdrawal amounts.

(See Accumulation Values in the Guaranteed Values section for details).

**DEATH BENEFIT FACTORS**

Insured's Attained Age	Death Benefit Factor	Insured's Attained Age	Death Benefit Factor
45	2.15	70	1.15
46	2.09	71	1.13
47	2.03	72	1.11
48	1.97	73	1.09
49	1.91	74	1.07
50	1.85	75	1.05
51	1.78	76	1.05
52	1.71	77	1.05
53	1.64	78	1.05
54	1.57	79	1.05
55	1.50	80	1.05
56	1.46	81	1.05
57	1.42	82	1.05
58	1.38	83	1.05
59	1.34	84	1.05
60	1.30	85	1.05
61	1.28	86	1.05
62	1.26	87	1.05
63	1.24	88	1.05
64	1.22	89	1.05
65	1.20	90	1.05
66	1.19	91	1.04
67	1.18	92	1.03
68	1.17	93	1.02
69	1.16	94	1.01
		95	1.00

**PAYMENT OF PREMIUMS**

We will accept any amount you send us as a premium payment while this policy is in force, subject to the Premium Limitation provision and these conditions:

1. You may send premiums to our Home Office or you may pay them to an agent or cashier we authorize. We will give you a receipt if you ask for one.
2. You must pay the Required Premium Per Year for the first 10 policy years. These premiums may be paid cumulatively in advance. At the end of each of the first 10 policy years, we will calculate the cumulative total of all premiums paid, less any Partial Surrenders and Surrender-Penalty-Free Withdrawals. We will divide this total by the number of years since the policy date. This amount must equal or exceed the Required Premium Per Year for each year in the required premium period or your policy will enter the Grace Period. (See page 2 of the policy data.) If your policy enters the Grace Period (see the Grace Period provision on page 7) and there is any net cash value remaining at the end of the Grace Period, we will apply it to the Nonforfeiture Options. (See Nonforfeiture Options provision on page 11.) If there is no net cash value remaining at the end of the Grace Period, your policy will lapse.

You may pay premiums at any time. Each premium must be at least \$25 and may not exceed the limits described in the Premium Limitation provision on this page. All net premium payments will become part of the Accumulation Value.

**Premium Limitation** --We reserve the right to refund any unscheduled premium during a particular policy year if the total premium paid:

- (a) increases the difference between the death benefit and the accumulation value, and
- (b) is more than \$20 per thousand of face amount and more than three times the total of the monthly deductions for the last year.

We also reserve the right to refund any unscheduled premiums that exceed \$25,000 in any 12-month period.

After the first policy year and before the tenth policy year, we reserve the right to refund any unscheduled premium that would cause the total premium paid in any one of those policy years to exceed five times the Required Premium Per Year. Beginning with the eleventh policy year, we reserve the right to refund any unscheduled premium that would cause the total premium paid in any one policy year to exceed three times the Required Premium Per Year. The Required Premium Per Year is shown on page 2 of the policy data. We will not refund any premium if that premium would cause the accumulation value minus any loan to be less than the monthly deduction due.

We will not refund any amount if doing so would cause your policy to enter the Grace Period before the next anniversary.

As of the end of any policy year, if the premiums paid exceed the amount allowable if this policy is to continue to qualify as a life insurance contract under Section 7702 of the Internal Revenue Code, as such Section is in effect at the time this policy is issued, and the regulations thereunder, we will remove the excess amount of premiums paid from the policy, with interest, as of the end of that policy year. We will refund to you this excess amount (including interest) within 60 days after the end of that policy year.

Such an excess amount could occur, for example, as a result of a Partial Surrender or other change in the benefits or terms of the policy, since the premium amount allowable for the policy may be reduced.

The amount refundable will not exceed the net cash value of the policy. If the entire net cash value is refunded, we will treat the transaction as a full surrender of your policy.

**Continuation of Insurance --** Between premium payments we automatically continue your policy at the same face amount and with any additional benefits provided by rider, subject to the Grace Period provision below. Refer to the Monthly Deduction section for further explanation.

**Grace Period --** A Grace Period is a period of 31 days after (a) a monthly date when the accumulation value minus any existing loan is less than the monthly deduction due, or (b) a policy anniversary on which the cumulative Required Premium Per Year has not been paid during the first 10 policy years. (See Payment of Premiums provision number 2 on page 6.) We will notify you that the Grace Period has begun and that you must pay a premium large enough to keep the policy in force before the 31 days are up. If you do not pay enough premium, and there is no net cash value, your policy will lapse. If there is any net cash value remaining at the end of the Grace Period, we will apply it to the Nonforfeiture Options. (See Nonforfeiture Options provision on page 11).

Since a monthly deduction is made on each monthly date for the prior month, and a nominal 31-day grace period is provided after that monthly date, there will always be at least a 62-day effective grace period for payment of overdue premiums.

During the grace period, we will not charge interest on the premium due. If the Insured dies during the grace period and before you pay the premium we will subtract from the death benefit the cost of coverage to the date the Insured died.

**Premium Qualification Credit --** At the end of each policy year during the required premium period, we will calculate your total premium payments as described under Payment of Premiums provision number 2. If the total equals or exceeds the required amount, we will deposit a Premium Qualification Credit to your policy's accumulation value at the beginning of the next policy year.

The amount of the credit will be a specific percentage of the Required Annual Premium shown on page 2 of the policy data.

We must receive enough premium to qualify for the credit by your policy's anniversary, or you will not receive the credit for that policy year. You may still qualify for the credit in any future years in the qualification period.

The Premium Qualification Credit Period and the Premium Qualification Credit Percentage are shown on page 2 of the policy data.

**Reinstatement of Lapsed Policy --** If this policy lapses, it may be reinstated provided it was not surrendered. To reinstate the policy, you must meet the following conditions:

1. You must request reinstatement in writing within three years after the date of lapse and before the Maturity Date.
2. The Insured must still be insurable by our standards.
3. If any loans existed when the policy lapsed, you must repay or reinstate them with interest compounded annually from the date of lapse at the interest rate of 5.5% for a Class A loan, and 8.0% for a Class B loan.
4. The reinstated policy will be subject to the minimum premium requirement during the first 10 policy years. (See page 2 of Policy Data and Payment of Premiums provision, number 2.) If the policy lapsed during one of the first 10 policy years and is reinstated in a different policy year, you must pay a premium large enough to meet the minimum premium requirement at the time of reinstatement, with interest compounded annually at the reinstatement interest rate of 6%. If the policy lapsed after the tenth policy year, or if it lapsed in one of the first 10 policy years and is reinstated in the same policy year, you must pay a premium large enough to cover two monthly deductions due when the policy lapsed and three monthly deductions due when the policy is reinstated.
5. If you reinstate the policy during the first 10 policy years, you must repay any net cash value given to you at the time of lapse, with interest compounded annually at the reinstatement interest rate of 6%.

The Accumulation Value of the reinstated policy will be: the surrender penalty at the time of lapse; plus any net cash value we paid you at the time of lapse; plus any loan reinstated; plus 96% of any premium you pay at reinstatement; minus any monthly deductions due at the time of lapse.



**GUARANTEED VALUES**

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**Accumulation Values --** The accumulation value on any specified date on or before the first policy anniversary is equal to:

1. All net premiums paid less any refunds since issue, plus accrued interest from the date each premium is received in the Home Office to the specified date.
  - minus 2. All monthly deductions charged since issue, plus accrued interest from each monthly date to the specified date.
  - minus 3. Any partial surrenders since issue, plus accrued interest from each partial surrender date to the specified date.
- The accumulation value on any specified date after the first policy anniversary is equal to:
1. The accumulation value on the last policy anniversary plus accrued interest from the last policy anniversary to the specified date.
  - plus 2. Any Premium Qualification Credit amounts deposited in the accumulation value since the last policy anniversary, plus accrued interest from the beginning of the year to the specified date.
  - plus 3. All net premiums paid less any refunds since the last policy anniversary, plus accrued interest from the date each premium is received in the Home Office to the specified date.
  - minus 4. All monthly deductions charged since the last policy anniversary, plus accrued interest from each monthly date to the specified date.
  - minus 5. Any partial surrenders and Surrender-Penalty-Free Withdrawals including partial surrender penalties since the last policy anniversary, plus accrued interest from each partial surrender or withdrawal date to the specified date.

A Table of Policy Values is included in this policy. It is based on the information you gave us when the policy was issued. The values shown may change as the declared interest rates, your premium payments, and other factors change from the illustrated data. Every year we will send you a statement of actual policy values.

**Guaranteed Interest Rates --** The net premium accrues simple interest from the date we receive it in the Home Office. Interest is credited annually on each policy anniversary.

We guarantee that your accumulation value on any policy anniversary will be at least equal to what it would have been if the credited interest rate had always been 4%. The minimum interest rate we credit at any one time will never be less than 4%.

We may declare a higher interest rate than the guaranteed minimum rate at any time. Each rate we declare replaces the guaranteed minimum rate until we declare a different one.

The interest rate for any portion of the accumulation value equal to the amount of any policy loan will be at the effective annual loan interest rate less 0% for Class A loans, and less 2.5% for Class B loans.



**Monthly Deduction Rates** -- We will determine the monthly deduction rate for each policy year at the beginning of that year. We will use the Insured's age as of that policy year.

A Table of Annualized Guaranteed Monthly Deduction Rates is in the policy data. We may use rates lower than these annualized guaranteed monthly deduction rates. We will never use higher rates.

A Table of Maximum Guaranteed Annualized Monthly Expense Charges is on page 3. We may use expense charges lower than these maximum guaranteed annualized monthly expense charges. We will never use higher expense charges.

**Monthly Deduction** -- At the end of each policy month, we will take the monthly deduction for the prior month from the accumulation value.

The Monthly Deduction is equal to

- (a) the monthly deduction rate, times .001, times the difference between the death benefit and the accumulation value at the beginning of the policy year,
- plus (b) the monthly deduction for any riders,
- plus (c) the policy fee as shown in the Policy Data,
- plus (d) the monthly expense deduction. This is the monthly expense charge per thousand of face amount as described on page 3, times .001, times the face amount

#### CASH VALUE

You may borrow the cash value, or take it as a partial or full surrender of the policy. All of these transactions are described in this section. We guarantee that the cash value always equals or exceeds the amount required by the law in effect at the time of issue in the state in which this policy is delivered.

**Policy Loans** -- If you request a policy loan in the first ten policy years, we will handle it as a Class B loan.

After the tenth policy year, we will handle one loan request per year as a Class A loan, subject to the limitation shown under Class A Policy Loan.

After the tenth policy year, we will treat any amount over the limitation in a Class A loan, and any loan request after the first in a policy year, as a Class B loan.

**Class A Policy Loans** -- After the tenth policy anniversary, we will make a loan subject to the following conditions:

1. The loan will only be allowed one time during a policy year.
2. The maximum amount allowed as a Class A loan in any one policy year will be the lesser of 10% of the current accumulation value as of the request date and the maximum loan amount, as described in number 3 below.
3. The maximum loan amount is the accumulation value as of the date of the loan request, minus
  - a. any existing loan(s);
  - b. interest on the amount of the loan to the end of the policy year; and
  - c. the full surrender penalty or three monthly deductions, whichever is greater.
4. You must pay interest on the total loan balance each year in advance, on the policy anniversary. The annual effective loan interest rate is 5.5% (5.21% in advance). If you do not pay the interest when it is due, we will add the amount of interest to the loan. We will charge interest on this amount at the same interest rate being charged on the loan.
5. You must assign the policy to us to the extent of the outstanding loan. If the Insured dies, we will deduct the outstanding loan from the death benefit before we pay the death benefit to the beneficiary.
6. The loan will be secured by that portion of the accumulation value equal to the amount of the loan.

**Class B Policy Loans** -- We will make a loan subject to the following conditions:

1. The maximum amount allowed as a Class B loan is the accumulation value as of the date of the loan request, minus
  - a. any existing loan(s);
  - b. interest on the amount of the loan to the end of the policy year; and
  - c. the full surrender penalty or three monthly deductions, whichever is greater.

2. You must pay interest on the total loan balance each year in advance, on the policy anniversary. The annual effective loan interest rate is 8.0% (7.4% in advance). If you do not pay the interest when it is due, we will add the amount of interest to the loan. We will charge interest on this amount at the same interest rate being charged on the loan.
3. You must assign the policy to us to the extent of the outstanding loan. If the insured dies, we will deduct the outstanding loan from the death benefit before we pay the death benefit to the beneficiary.
4. The loan will be secured by that portion of the accumulation value equal to the amount of the loan.

**Loan Repayment** -- You may repay any part of a loan at any time while the insured is living and before the Maturity Date.

If you wish to make a loan repayment, you must tell us that the payment you send us is for that purpose. Unless your payment is clearly marked as a loan repayment, we will assume it is a premium payment except as indicated in the Premium Limitation Provision. When we receive a loan repayment we will apply it to the portion of the accumulation value that secures a loan. If a payment would cause the policy to fail to qualify as a life insurance contract under Section 7702, of the Internal Revenue Code, as such Section is in effect at that time, and the regulations thereunder, the portion of the payment that cannot be accepted as premium will be applied against any outstanding policy loans before a refund is made.

Loan Repayments will first be applied to any outstanding Class B loans and then to any outstanding Class A loans. Within the Class A and B loan categories, the repayments will be applied first to loans with the most recent loan dates.

Your policy will not lapse if you do not repay a loan. However, the portion of the accumulation value not securing a loan must be large enough to cover the monthly deduction due and any loan interest due not paid in cash. (See Grace Period provision for details).

If the policy loan interest due is not paid in cash by you, a new loan of the same class (A or B) will be created to cover the interest. The new loan will have the same interest rate as the loan to which it is added (Class A or B). Any loan interest paid will first apply to Class B loans, then to Class A loans.

**Partial Surrender** -- At any time following the tenth day after you have received this policy, you may surrender a portion of this policy for its value if you send us a written request. During the first 10 policy years, a partial surrender penalty will be assessed on any surrender amount you request that exceeds the amount eligible for surrender without penalty as described in the Surrender-Penalty-Free Withdrawal provision. We will deduct from the policy's accumulation value (a) the surrender amount you request, plus (b) the partial surrender penalty on the surrender amount that exceeds the amount eligible for surrender without penalty. If you chose Death Benefit Option 1, we will also deduct from the policy's face amount (a) the surrender amount you request minus the amount eligible for surrender without penalty, plus (b) the partial surrender penalty on the surrender amount that exceeds the amount eligible for surrender without penalty. The face amount may not be less than the published minimum for this plan. The lower face amount may result in a higher monthly deduction rate per thousand.

The partial surrender penalty is the greater of:

- 1) \$25, or
- 2) the proportionate full surrender penalty.

The proportionate full surrender penalty may be calculated as follows:

Let X = surrender amount you request  
minus the amount eligible for  
surrender without penalty

a = full surrender penalty per 1,000 of  
face amount  
(see Table of Surrender Penalties)

The proportionate full surrender penalty =

$$X \text{ times } \frac{a}{1000 - a}$$

In any policy year, the maximum amount that you may request and receive by Partial Surrender is:

- 1) the accumulation value,
- minus 2) any indebtedness,
- minus 3) the sum of 3 monthly deductions,
- minus 4) the greater of \$25 or the full surrender penalty.

If you ask for an amount larger than the maximum described above, we will treat it as a request for a full surrender of the policy.

**Surrender-Penalty-Free Withdrawal --** At any time after the first policy year you make a withdrawal without incurring a partial surrender penalty, within the limits outlined below.

The minimum amount of a Surrender Penalty-Free Withdrawal is \$100.

When you request a partial surrender in the second or later policy year we will calculate the amount eligible for surrender without penalty. This amount will be the lesser of:

- (a) 10% of the policy's current accumulation value, minus the sum of all Surrender-Penalty-free withdrawals since the last policy anniversary, or
- (b) the maximum amount available as a partial surrender described on page 10.

During the first ten policy years the sum of all Surrender-Penalty-Free Withdrawals and Partial Surrenders may not exceed the sum of all premiums paid less the sum of all required premiums since the policy date. (See Payment of Premiums Provision Number 2 on page 6.)

We will process a Surrender-Penalty-Free Withdrawal for the eligible amount. The remainder of any amount you request will be processed as a partial surrender.

We will deduct the withdrawal amount you request from the policy's accumulation value.

**Nonforfeiture Options --** At the end of the grace period, if there is any remaining net cash value, we will apply the net cash value to one of the Nonforfeiture Options described in this section. The Nonforfeiture Options will be effective no later than 62 days after the date on which the premium was due. You may choose Option 1, Paid-Up Insurance or Option 2, Extended Term Insurance, or Option 3, Full Surrender, any time within the 62 day grace period. If you do not choose an option in writing, Option 1, Paid-Up Insurance, will automatically take effect.

**Option 1. Paid-Up Life --** You may exchange this policy for a single premium paid up whole life policy. These conditions will apply:

- (a) The policy must be in force when you request the change.
- (b) You will surrender all rights under this policy in exchange for the paid-up policy.
- (c) We will calculate the face amount of the paid-up policy in this way: the net cash value divided by the net single premium at the Insured's attained age equals the paid-up face amount.

**Evidence of Insurability --** When you request this option, we will calculate the difference between the amount of paid-up insurance and the total net single premium. We will compare that amount to the difference between the death benefit and the accumulation value under this policy on the date you choose this option. If the difference between the amount of paid-up insurance and the total net single premium is greater than the difference between the death benefit and the accumulation value, the Insured must give us satisfactory evidence of insurability. We calculate the total net single premium by taking the face amount of the paid-up policy and multiplying it by the net single premium per thousand.

If the Insured does not send us satisfactory evidence of insurability, we will reduce the amount of paid-up insurance accordingly. If there is any net cash value left over after you purchase the paid-up insurance, we will refund it to you.

- (d) We will issue and date the paid-up policy as of the date you surrender this policy.
- (e) The premiums we use for the single premium paid-up insurance will be those in effect as of the date you request the change. They will never be greater than the rates shown in the Table of Maximum Net Single Premiums for Paid-up Insurance on page 17.
- (f) There is a Table of Paid-Up Insurance per Thousand of Net Cash Value on page 16.
- (g) The paid-up insurance will have cash values. If you surrender any paid-up insurance within 30 days of a policy anniversary, the cash value of the insurance will not be less than the cash value on that anniversary.

**Option 2. Extended Term Insurance --** If the class of risk shown page 2 of the Policy Data does not show Preferred Rated or Standard Rated, you may continue this policy as nonparticipating extended term insurance. These conditions will apply:

- (a) The policy must be in force when you request the change.
- (b) You will surrender all rights under this policy in exchange for the extended term policy.
- (c) We will calculate the face amount of the extended term policy in this way: this policy's face amount less any indebtedness as of the date of your request equals the extended term face amount.

d) We will calculate the length of the coverage period of the extended term policy by applying the net cash value of this policy as a net single premium for the extended term coverage.

(e) We will issue and date the extended term policy as of the date you surrender this policy.

**Option 3: Full Surrender** -- You may surrender the policy for its net cash value. The net cash value on the date of your request is the accumulation value minus the surrender penalty and any existing loans. We will also deduct a pro rata monthly deduction for the coverage from the last monthly date to the date of surrender.

There is a Table of Surrender Penalties on page 13. We will use the factors in the table to determine the surrender penalty we will apply. To calculate the full surrender penalty, find the factor for the Insured's issue age and the current policy year. Multiply this factor by the number of thousands of face amount of the policy. This is the full surrender penalty. There is no surrender penalty after 10 policy years.

If you request a full surrender within 30 days of a policy anniversary, the surrender value will not be less than the surrender value on that anniversary, less any loans, partial surrenders (including any partial surrender penalties that exceed the pro-rata surrender penalty), and surrender-penalty-free withdrawals made after the last policy anniversary.

**Option to Reduce the Face Amount** -- You may request a decrease of the face amount of this policy if all the conditions are met.

The following conditions will apply:

1. You must make a written request to us.
2. At the request date, this policy must be in force and the Insured must be living.
3. The amount of the reduction in face amount must be at least \$25,000.
4. The new face amount may not be less than the published minimum face amount for this plan.
5. The decrease of the face amount of this policy may cause a change in the monthly deduction rates to be charged.
6. A surrender penalty will result from the decrease in the face amount if the change is made during the 10 year surrender penalty period.

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Table of Surrender Penalties  
Per \$1,000 Face Amount

Issue Age	Policy Year										
	1	2	3	4	5	6	7	8	9	10	11+
45	25	23	21	19	16	14	11	9	6	3	0
46	25	24	21	19	17	14	12	9	6	3	0
47	26	24	22	20	17	15	12	9	6	3	0
48	27	25	23	21	18	15	13	10	6	3	0
49	28	26	24	21	19	16	13	10	7	3	0
50	29	27	25	22	19	17	14	10	7	3	0
51	30	28	26	23	20	17	14	11	7	3	0
52	31	29	27	24	21	18	15	11	7	4	0
53	32	30	28	25	22	19	15	12	8	4	0
54	34	32	29	26	23	19	16	12	8	4	0
55	35	33	30	27	24	20	16	13	8	4	0
56	36	34	31	28	25	21	17	13	9	4	0
57	38	36	32	29	26	22	18	14	9	5	0
58	40	37	34	30	27	23	19	14	10	5	0
59	41	39	35	32	28	24	20	15	10	5	0
60	43	41	37	33	29	25	21	16	11	5	0
61	45	43	39	35	31	26	22	17	11	6	0
62	47	45	41	37	32	28	23	18	12	6	0
63	50	47	43	39	34	29	24	18	13	6	0
64	52	50	45	41	36	31	25	19	13	7	0
65	55	52	48	43	38	33	27	21	14	7	0
66	57	55	50	45	40	34	28	22	15	7	0
67	57	55	50	46	40	34	28	22	15	7	0
68	57	55	51	46	40	35	28	22	15	8	0
69	57	55	51	46	40	35	29	22	15	8	0
70	57	55	51	46	40	35	29	22	15	8	0
71	57	55	51	46	41	35	29	22	15	8	0
72	57	55	51	46	41	35	29	22	15	8	0
73	57	55	51	46	41	35	29	22	15	8	0
74	57	55	51	46	41	35	29	23	15	8	0
75	57	55	51	46	41	35	29	23	16	8	0
76	57	55	51	46	41	36	30	23	16	8	0
77	57	55	51	47	42	36	30	23	16	8	0
78	57	55	51	47	42	36	30	24	16	8	0
79	57	55	52	47	42	37	31	24	17	8	0
80	57	55	52	47	42	37	31	24	17	8	0



**PAYMENT OF CASH VALUE AND LOANS #9728**

We may delay paying you the partial or full surrender values of this policy for up to six months after we receive your written request for the surrender. We may delay making a loan to you for up to six months after we receive your written request for the loan. We will not delay any loan made to pay premiums due us on any policy.

**POLICY STATEMENTS AND ILLUSTRATIONS**

At least once a year, we will send you a statement showing the face amount, accumulation value, cash value, loans, partial surrenders, Surrender-Penalty-Free Withdrawals, Premium Qualification Credits, premiums paid and charges as of the statement date. We will provide you with an illustration of benefits and values at any time if you request it in writing. The first illustration you request each policy year is at no charge to you. We reserve the right to charge you a \$25.00 administrative fee for each subsequent illustration.

**BASIS OF COMPUTATION**

The cash values of the policy are not less than the minimum values required by the State in which this policy is delivered. The cash values are based on the guaranteed monthly deduction rates and the guaranteed interest rate. (See the Guaranteed Values section.)

Cash values will always meet or exceed minimum values on the statutory nonforfeiture basis. The basis for the extended term values is the Commissioners 1980 Extended Term Mortality Tables for males and females, age nearest birthday and 5% interest. The basis for all other values is the Commissioners 1980 Standard Ordinary Smoker or Nonsmoker Ultimate Mortality Tables for males or females, age nearest birthday and 4% interest. Deaths are assumed to occur at the end of the policy year.

As required, we have filed the method we used to compute minimum cash values and nonforfeiture benefits with the Supervisory Official of the State in which this policy is delivered.

**GENERAL PROVISIONS**

**Incontestability of the Policy --** Except for fraud or nonpayment of premiums, this policy will be incontestable after it has been in force during the insured's lifetime for two years from the date of issue. This provision does not apply to any rider providing benefits specifically for disability or death by accident.

**Amount We Pay is Limited in the Event of Suicide --** If the Insured dies by suicide, while sane or insane, within two years from the date of issue, we will be liable only for the amount of premiums paid, less any partial surrenders, Surrender-Penalty-Free Withdrawals, and loans.

**Misstatement of Age or Sex in the Application --** If there is a misstatement of the Insured's age or sex in the policy, we will adjust the excess of the death benefit over the accumulation value to that which would be purchased by the most recent monthly deduction at the correct age or sex.

**The Policy is our Contract with You --** We have issued this policy in consideration of the application and premium payments. A copy of the application is attached to and is part of this policy. The policy, including the application, forms our entire contract with you. All statements made by or for the Insured will be considered representations and not warranties. We will not use any statement made by or for the Insured to deny a claim unless the statement is in the application and the application is attached to this policy when we issue it.

**Who Can Make Changes in the Policy --** Only our President or a Vice President together with our Corporate Secretary have the authority to make any change in this policy. Any change must be in writing.

**Termination of Insurance --** This policy will terminate at the earliest of:

1. the date of surrender;
2. the policy anniversary nearest the Insured's age 95; or
3. the date of lapse.

**No Dividends are Payable --** This is nonparticipating insurance. It does not participate in our profits or surplus. We do not distribute past surplus or recover past losses by changing the monthly deduction rates.



## SETTLEMENT PROVISIONS

When the Insured dies, we will pay the death benefit in a lump sum unless you or the beneficiary choose a settlement option. You may choose a settlement option while the Insured is living. The beneficiary may choose a settlement option after the Insured has died. The beneficiary's right to choose will be subject to any settlement agreement in effect at the Insured's death.

You may also choose one of these options as a method of receiving the surrender or maturity proceeds, if any are available under this policy.

When we receive a satisfactory written request, we will pay the benefit according to one of these options:

**Option A: Instalments for a Guaranteed Period** -- We will pay equal instalments for a guaranteed period of from one to thirty years. Each instalment will consist of part benefit and part interest. We will pay the instalments monthly, quarterly, semi-annually or annually, as requested. See Table A on page 18.

**Option B: Instalments for Life with a Guaranteed Period** -- We will pay equal monthly instalments as long as the payee is living, but we will not make payments for less than the guaranteed period the payee chooses. The guaranteed period may be either 10 years or 20 years. We will pay the instalments monthly. See Table B on page 18.

**Option C: Benefit Deposited with Interest** -- We will hold the benefit on deposit. It will earn interest at the annual interest rate we are paying as of the date of death, surrender or maturity. We will not pay less than 2 1/2% annual interest. We will pay the earned interest monthly, quarterly, semi-annually or annually, as requested. The payee may withdraw part or all of the benefit and earned interest at any time.

**Option D: Instalments of a Selected Amount** -- We will pay instalments of a selected amount until we have paid the entire benefit and accumulated interest.

**Option E: Annuity** -- We will use the benefit as a single premium to buy an annuity. The annuity may be payable to one or two payees. It may be payable for life with or without a guaranteed period, as requested. The annuity payment will not be less than what our current annuity contracts are then paying.

The payee may arrange any other method of settlement as long as we agree to it. The payee must be an individual receiving payment in his or her own right. There must be at least \$10,000 available for any option and the amount of each instalment to each payee must be at least \$100. If the benefit amount is not enough to meet these requirements, we will pay the benefit in a lump sum.

We will pay the first instalment under any option on the date of death, maturity or surrender, whichever applies. Any unpaid balance we hold under Options A or D will earn interest at the rate we are paying at the time of settlement. We will not pay less than 3% annual interest. Any benefit we hold will be combined with our general assets.

If the payee does not live to receive all guaranteed payments under Options A, B, D or E or any amount deposited under Option C, plus any accumulated interest, we will pay the remaining benefit as scheduled to the payee's estate. The payee may name and change a successor payee for any amount we would otherwise pay the payee's estate.

TABLE OF PAID-UP INSURANCE PER \$1,000 OF NET CASH VALUE

Amount of Paid-Up Insurance =  $\frac{\text{Net Cash Value}}{1000} \times \text{Factor for the Insured's Attained Age}$

Insured's Attained Age	Male	Female	Insured's Attained Age	Male	Female	Insured's Attained Age	Male	Female	Insured's Attained Age	Male	Female
------------------------------	------	--------	------------------------------	------	--------	------------------------------	------	--------	------------------------------	------	--------

**NONSMOKER**

45	3,133.33	3,522.74	60	1,979.85	2,220.65	75	1,393.40	1,487.19	90	1,129.18	1,136.70
46	3,033.16	3,411.69	61	1,925.97	2,156.25	76	1,368.86	1,454.25	91	1,112.66	1,117.41
47	2,936.78	3,304.59	62	1,874.49	2,094.11	77	1,345.83	1,423.19	92	1,093.45	1,095.93
48	2,843.98	3,201.34	63	1,825.32	2,034.34	78	1,324.10	1,393.83	93	1,068.98	1,070.84
49	2,764.67	3,101.84	64	1,778.48	1,977.15	79	1,303.50	1,365.99	94	1,040.01	1,040.01
50	2,668.81	3,005.90	65	1,733.95	1,922.56	80	1,283.87	1,339.52	95	1,000.00	1,000.00
51	2,586.19	2,913.42	66	1,691.62	1,870.42	81	1,265.14	1,314.38			
52	2,506.71	2,824.39	67	1,651.37	1,820.57	82	1,247.32	1,290.63			
53	2,430.55	2,738.68	68	1,613.01	1,772.74	83	1,230.48	1,268.03			
54	2,357.44	2,656.26	69	1,576.47	1,726.67	84	1,214.56	1,246.87			
55	2,287.44	2,576.99	70	1,541.60	1,682.26	85	1,199.55	1,226.95			
56	2,220.50	2,500.63	71	1,508.39	1,639.48	86	1,185.30	1,208.08			
57	2,156.39	2,427.07	72	1,477.31	1,598.44	87	1,171.54	1,190.00			
58	2,094.99	2,356.05	73	1,447.56	1,559.29	88	1,157.94	1,172.38			
59	2,036.17	2,287.29	74	1,419.57	1,522.21	89	1,144.00	1,154.78			

**SMOKER**

45	2,617.53	3,153.19	60	1,755.62	2,072.37	75	1,327.89	1,446.30	90	1,126.33	1,135.16
46	2,541.17	3,060.73	61	1,716.12	2,018.05	76	1,309.97	1,417.78	91	1,111.14	1,116.55
47	2,467.92	2,971.77	62	1,678.42	1,965.45	77	1,293.23	1,390.90	92	1,092.81	1,095.66
48	2,397.68	2,886.09	63	1,642.47	1,914.76	78	1,277.49	1,365.51	93	1,069.79	1,070.76
49	2,330.25	2,803.48	64	1,608.34	1,866.27	79	1,262.50	1,341.31	94	1,040.01	1,040.01
50	2,265.58	2,723.91	65	1,576.00	1,819.97	80	1,248.12	1,318.21	95	1,000.00	1,000.00
51	2,203.52	2,647.33	66	1,545.36	1,775.89	81	1,234.30	1,296.13			
52	2,144.09	2,573.54	67	1,516.28	1,733.62	82	1,221.04	1,275.08			
53	2,087.21	2,502.57	68	1,488.61	1,693.03	83	1,208.38	1,255.07			
54	2,032.90	2,434.34	69	1,462.14	1,653.66	84	1,196.35	1,236.11			
55	1,981.18	2,368.78	70	1,436.81	1,615.51	85	1,184.90	1,218.31			
56	1,931.89	2,305.59	71	1,412.59	1,578.51	86	1,173.82	1,201.26			
57	1,884.84	2,244.67	72	1,389.53	1,542.88	87	1,162.81	1,184.91			
58	1,839.86	2,185.61	73	1,367.69	1,508.87	88	1,151.46	1,168.68			
59	1,796.85	2,128.25	74	1,347.15	1,476.65	89	1,139.50	1,152.36			

**TABLE OF MAXIMUM NET SINGLE  
PREMIUMS FOR  
PAID-UP INSURANCE PER \$1,000**

Insured's Attained Age	Male	Female	Insured's Attained Age	Male	Female	Insured's Attained Age	Male	Female	Insured's Attained Age	Male	Female
<b>NONSMOKER</b>											
45	319.15	283.87	60	505.09	450.32	75	717.67	672.41	90	885.62	879.74
46	329.69	293.11	61	519.22	463.77	76	730.54	687.64	91	898.75	894.93
47	340.51	302.61	62	533.48	477.53	77	743.04	702.65	92	914.54	912.47
48	351.82	312.37	63	547.86	491.56	78	755.23	717.45	93	934.60	933.85
49	363.02	322.39	64	562.28	505.78	79	767.17	732.07	94	961.53	961.53
50	374.70	332.68	65	576.72	520.14	80	778.90	746.54	95	1,000.00	1,000.00
51	386.67	343.24	66	591.15	534.64	81	790.43	760.82			
52	398.93	354.06	67	605.56	549.28	82	801.72	774.88			
53	411.43	365.14	68	619.96	564.10	83	812.71	788.63			
54	424.19	376.47	69	634.33	579.15	84	823.35	802.01			
55	437.17	388.05	70	648.68	594.44	85	833.65	815.03			
56	450.35	399.90	71	662.96	609.95	86	843.67	827.76			
57	463.74	412.02	72	676.91	625.61	87	853.58	840.34			
58	477.33	424.44	73	690.82	641.32	88	863.61	852.97			
59	491.12	437.20	74	704.44	656.94	89	874.13	865.97			
<b>SMOKER</b>											
45	382.04	317.14	60	569.60	482.54	75	763.08	691.42	90	887.84	880.94
46	393.52	326.72	61	582.71	495.53	76	763.38	705.33	91	899.98	895.62
47	405.20	336.60	62	595.80	508.79	77	773.26	718.96	92	915.08	912.78
48	417.07	346.49	63	608.84	522.26	78	782.79	732.33	93	934.77	933.93
49	429.14	356.70	64	621.76	535.83	79	792.08	745.54	94	961.53	961.53
50	441.39	367.12	65	634.52	549.46	80	801.21	758.61	95	1,000.00	1,000.00
51	453.82	377.74	66	647.10	563.10	81	810.18	771.53			
52	466.40	388.57	67	659.51	576.83	82	818.98	784.27			
53	479.11	399.59	68	671.77	590.68	83	827.56	796.77			
54	491.91	410.79	69	683.93	604.72	84	836.88	808.99			
55	504.75	422.16	70	696.99	619.00	85	843.96	820.81			
56	517.63	433.73	71	707.92	633.51	86	851.92	832.46			
57	530.55	445.50	72	719.67	648.14	87	859.99	843.95			
58	543.52	457.54	73	731.16	662.75	88	868.47	855.67			
59	556.53	469.87	74	742.31	677.21	89	877.58	867.79			

## Instalments for Each \$1,000 Payable under Option A

Multiply the Monthly Instalment by 11.83895 for Annual, by 5.96322 for Semi-Annual, or by 2.99263 for Quarterly Instalments					
Guaranteed Period (Yrs.)	Monthly Instalment	Guaranteed Period (Yrs.)	Monthly Instalment	Guaranteed Period (Yrs.)	Monthly Instalment
1	\$84.47	11	\$8.86	21	\$5.32
2	42.86	12	8.24	22	5.15
3	28.99	13	7.71	23	4.99
4	22.06	14	7.26	24	4.84
5	17.91	15	6.87	25	4.71
6	15.14	16	6.53	26	4.59
7	13.16	17	6.23	27	4.48
8	11.68	18	5.96	28	4.37
9	10.53	19	5.73	29	4.27
10	9.61	20	5.51	30	4.18

TABLE B

## Monthly Instalment for Each \$1,000 Payable under Option B

MALE PAYEE														
Guaranteed Period Age 10 Yrs. 20 Yrs.			Guaranteed Period Age 10 Yrs. 20 Yrs.			Guaranteed Period Age 10 Yrs. 20 Yrs.			Guaranteed Period Age 10 Yrs. 20 Yrs.			Guaranteed Period Age 10 Yrs. 20 Yrs.		
11	\$2.90	\$2.89	26	\$3.20	\$3.19	41	\$3.77	\$3.71	56	\$4.92	\$4.59	71	\$7.27	\$5.42
12	2.91	2.91	27	3.22	3.21	42	3.82	3.76	57	5.03	4.66	72	7.48	5.45
13	2.93	2.92	28	3.25	3.24	43	3.88	3.81	58	5.15	4.73	73	7.68	5.46
14	2.94	2.94	29	3.28	3.27	44	3.94	3.86	59	5.27	4.80	74	7.88	5.48
15	2.96	2.96	30	3.31	3.30	45	4.00	3.91	60	5.40	4.87	75	8.08	5.49
16	2.98	2.97	31	3.34	3.33	46	4.07	3.97	61	5.53	4.94	76	8.27	5.50
17	3.00	2.99	32	3.38	3.36	47	4.14	4.02	62	5.68	5.00	77	8.46	5.50
18	3.01	3.01	33	3.41	3.39	48	4.21	4.08	63	5.83	5.07	78	8.63	5.51
19	3.03	3.03	34	3.45	3.43	49	4.28	4.14	64	5.98	5.13	79	8.79	5.51
20	3.05	3.05	35	3.49	3.46	50	4.36	4.20	65	6.15	5.18	80	8.94	5.51
21	3.08	3.07	36	3.53	3.50	51	4.44	4.26	66	6.32	5.24	81	9.07	5.51
22	3.10	3.09	37	3.57	3.54	52	4.53	4.32	67	6.50	5.28	82	9.18	5.51
23	3.12	3.11	38	3.62	3.58	53	4.62	4.39	68	6.68	5.33	83	9.28	5.51
24	3.14	3.14	39	3.67	3.62	54	4.71	4.46	69	6.88	5.36	84	9.36	5.51
25	3.17	3.16	40	3.72	3.67	55	4.81	4.52	70	7.07	5.40	85	9.42	5.51

FEMALE PAYEE

Guaranteed Period Age 10 Yrs. 20 Yrs.			Guaranteed Period Age 10 Yrs. 20 Yrs.			Guaranteed Period Age 10 Yrs. 20 Yrs.			Guaranteed Period Age 10 Yrs. 20 Yrs.			Guaranteed Period Age 10 Yrs. 20 Yrs.		
11	\$2.83	\$2.83	26	\$3.08	\$3.07	41	\$3.54	\$3.52	56	\$4.51	\$4.35	71	\$6.73	\$5.36
12	2.84	2.84	27	3.10	3.10	42	3.59	3.56	57	4.61	4.42	72	6.94	5.40
13	2.86	2.85	28	3.12	3.12	43	3.63	3.60	58	4.71	4.50	73	7.16	5.43
14	2.87	2.87	29	3.15	3.14	44	3.68	3.65	59	4.82	4.57	74	7.38	5.45
15	2.88	2.88	30	3.17	3.17	45	3.73	3.69	60	4.94	4.65	75	7.60	5.47
16	2.90	2.90	31	3.20	3.19	46	3.78	3.74	61	5.06	4.72	76	7.82	5.48
17	2.91	2.91	32	3.23	3.22	47	3.84	3.79	62	5.19	4.80	77	8.04	5.49
18	2.93	2.93	33	3.26	3.25	48	3.90	3.85	63	5.33	4.88	78	8.25	5.50
19	2.95	2.94	34	3.29	3.28	49	3.96	3.90	64	5.47	4.95	79	8.45	5.51
20	2.96	2.96	35	3.32	3.31	50	4.03	3.96	65	5.63	5.02	80	8.64	5.51
21	2.98	2.98	36	3.35	3.34	51	4.10	4.02	66	5.79	5.09	81	8.82	5.51
22	3.00	2.99	37	3.39	3.37	52	4.17	4.08	67	5.96	5.15	82	8.97	5.51
23	3.02	3.01	38	3.42	3.41	53	4.25	4.14	68	6.14	5.21	83	9.11	5.51
24	3.04	3.03	39	3.46	3.44	54	4.33	4.21	69	6.33	5.27	84	9.23	5.51
25	3.06	3.05	40	3.50	3.48	55	4.42	4.28	70	6.53	5.32	85	9.32	5.51

Ages younger than 11 are the same as shown for age 11, and ages older than 85 are the same as shown for age 85.

**AUTOMATIC PREMIUM LOAN ENDORSEMENT**  
(for policies containing a Required Annual Premium)

Transamerica Occidental Life Insurance Company has issued this endorsement as a part of the policy to which it is attached.

When the Automatic Premium Loan provision is made effective by the owner in the application at the time of issue, any portion of the required annual premium which remains unpaid at the end of a grace period will be paid by automatic premium loan. These rules will apply:

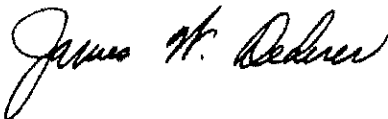
- (1) We will process an automatic premium loan if there is enough net cash value to pay both the required annual premium due and interest due on the automatic premium loan. If there is not enough net cash value to pay both the required annual premium due and the interest on the automatic premium loan, we will not make an automatic premium loan. The policy will then lapse subject to the nonforfeiture provision.

- (2) The Automatic Premium Loan will also be subject to all sections of this policy that pertain to policy loans.

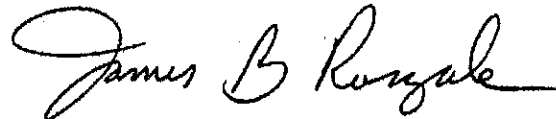
- (3) If the Automatic Premium Loan provision is made ineffective by the owner in the application at the time of issue, this provision may be requested by the owner. The request must be in the form of a written notice filed at our Home Office. This provision may also be cancelled by written notice by the owner filed in our Home Office.

The Automatic Premium Loan Provision will terminate at the end of the required annual premium period.

Signed for the Company at Los Angeles, California, on the date of issue of the policy.



Executive Vice President, General Counsel  
And Corporate Secretary



President - Life Insurance Division

**DESIGNATED SURRENDER-PENALTY-FREE WITHDRAWAL  
ENDORSEMENT**

Transamerica Occidental Life Insurance Company has issued this endorsement as part of the policy to which it is attached. You do not pay any premium for this endorsement.

Wherever the term "Surrender-Penalty-Free Withdrawal" appears in the policy to which this endorsement is attached, it is also meant to include the term "Designated Surrender-Penalty-Free Withdrawal". The only exception is in the section of the policy titled "Surrender-Penalty-Free Withdrawal", "(a)". That calculation of the eligible amount for surrender without penalty will NOT include "Designated Surrender-Penalty-Free Withdrawals."

This Designated Surrender-Penalty-Free Withdrawal is available in addition to the Surrender-Penalty-Free Withdrawal in the policy to which this endorsement is attached. If the Designated Surrender-Penalty-Free Withdrawal and the Surrender-Penalty-Free Withdrawal are requested simultaneously, the Designated Surrender-Penalty-Free Withdrawal will be processed first. Then, the Surrender-Penalty-Free Withdrawal will be processed based on the remaining accumulation value.

At any time after the first policy year, you may make a Designated Surrender-Penalty-Free Withdrawal without incurring a partial surrender penalty, within the limits outlined below.

Your Designated Surrender-Penalty-Free Withdrawal requests will only be available if you request such check be made payable to:

- (a) an accredited U.S. college or U.S. university;
- (b) a charitable organization registered as such with the Internal Revenue Service; or

- (c) Transamerica Occidental Life Insurance Company, for payment of a premium on a long term care product which is either in force or which we are offering for sale at the time the Withdrawal is selected.

If you request a check for either (a) or (b), we will process the Designated Surrender-Penalty-Free Withdrawal when you submit to us the following: A copy of the letter from the Internal Revenue Service according to the charitable organization or educational institution tax-exempt status under Section 501(c)(3) of the Internal Revenue Code.

The minimum amount of a Designated Surrender-Penalty-Free Withdrawal is \$100.

When you request a Designated Surrender-Penalty-Free Withdrawal, we will calculate the amount eligible for surrender without a Company imposed penalty, as follows:

10% of the policy's current accumulation value as of the request date, minus the sum of all Designated Surrender-Penalty-Free Withdrawals since the last policy anniversary.

The total amount available under a combination of all types of Surrender-Penalty-Free Withdrawals and Partial Surrenders shall not exceed the following:

Current accumulation value as of the request date

minus 1) any indebtedness,

minus 2) the sum of three monthly deductions,

minus 3) the maximum of \$25 or the full surrender penalty.



During the first ten policy years, the total amount available under a combination of all types of Surrender-Penalty-Free Withdrawals and Partial surrenders also may not exceed:

Sum of all premiums paid

minus 1) the sum of all required premiums since the policy date.

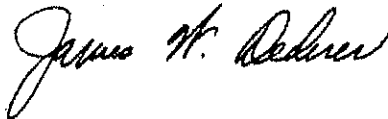
(See Payment of Premium Provision, Number 2 in the policy.)

We will process a Designated Surrender-Penalty-Free Withdrawal for the eligible amount. The remainder, if any, of the amount you request will be processed first as a Surrender-Penalty-Free Withdrawal as described in the policy. If there is any remainder in excess of that amount, we will process it as a partial surrender.

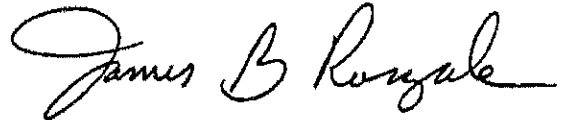
We will deduct the withdrawal amount you request from the policy's accumulation value.

The monthly deductions for the remainder of the policy year will be recalculated based on the difference between the new death benefit and the new accumulation value resulting from all types of Surrender-Penalty-Free Withdrawals and/or Partial Surrenders, as of the request date.

Signed for the Company at Los Angeles, California on the date of issue of this policy.



Executive Vice President, General Counsel  
And Corporate Secretary



President - Life Insurance Division

Transamerica Occidental Life Insurance Company has issued this endorsement as a part of policy number 92531113 ("the policy").

**NOTICE:** Benefits advanced under this option may be taxable. As with all tax matters, the Owner should consult a personal tax advisor to assess the impact of this benefit on the Owner and the policy.

While the policy is in force, we will pay an Accelerated Death Benefit to you, upon your request, subject to all the provisions and limitations of this endorsement.

#### DEFINITIONS

In this endorsement

**Accelerated Death Benefit** is the amount we pay under this option.

**Administrative Fee** is the \$250.00 that will be charged at the time each Accelerated Death Benefit is paid.

**Effective Date** is the date we approve your written request to exercise this option.

**Immediate Family Members** are members of either the Insured's or Owner's family who may be described as follows: spouse (includes common law spouse), children, stepchildren, parents, grandparents, grandchildren, brothers and sisters and their spouses (includes common law spouse).

**Insured** means only the Insured covered under the policy and not any other individuals covered for additional riders or benefits.

**Physician** is an individual, other than the Insured, the Owner, or Immediate Family Member, who is a doctor of medicine or osteopathy, licensed in the jurisdiction in which the advice is given or diagnosis is made and who is acting within the scope of that license.

**Policy Basic Death Benefit** means the death benefit provided by the policy, any policy layer, any Supplemental Adjustable Life Insurance Rider and any level term rider on the life of the Insured. It does not include any death benefit provided by any other riders or benefits attached to the policy.

**Policy Charges** means any monthly deductions, any surrender charges or surrender penalties, or any other charges specified in the policy.

**Terminal Illness** is a medical condition, resulting from bodily injury or disease, or both, and:

- which has been diagnosed by a Physician after the issue date of the policy; and,
- for which the diagnosis is supported by clinical, radiological, laboratory or other evidence of the medical condition which is satisfactory to us; and,
- which is not curable by any means available to the medical profession; and,
- which a Physician certifies is expected to result in death within 12 months of diagnosis and the certification is within 30 days of the Accelerated Death Benefit request.

"You" and "Your" mean the Owner

#### LIMITATIONS

1. The availability of this option is subject to all the terms of the policy, including contestability and suicide.
2. No benefit will be paid if Terminal Illness results from intentionally self-inflicted injury(ies) at any time.
3. At each request to exercise this option, there must be at least 2 years remaining from the Effective Date to the expiry or maturity date of each portion of the Policy Basic Death Benefit.
4. The Owner may not exercise this option:
  - a) if required by law to use the Accelerated Death Benefit to meet the claims of creditors, whether in bankruptcy or otherwise, or
  - b) if required by a government agency to use the Accelerated Death Benefit in order to apply for, obtain, or otherwise keep a government benefit or entitlement, or
  - c) until there is only one surviving Joint Insured if the policy is a Joint and Last Survivor policy.
5. This option is not available if the maximum Accelerated Death Benefit has been paid.
6. The face amount of the policy on which this option is exercised must be at least \$50,000 at the time of the first written request.

## AMOUNT OF THE ACCELERATED DEATH BENEFIT

#9237

The Policy Basic Death Benefit, and, if applicable, the policy's face amount, accumulation value, cash value, policy loan, and required premium will be adjusted as of the Effective Date. The adjustments to the Policy Basic Death Benefit will be made in the following order: (1) level term rider(s) on the Insured, if any, beginning with the most recent rider; (2) policy layer(s), if any, beginning with the most recent layer; and, (3) remaining portions of the Policy Basic Death Benefit. New Policy Charges and premiums will be based on the rates in effect for the policy's resulting face amount.

1. The Owner can request an Accelerated Death Benefit payment in any amount subject to the following minimum and maximum. The minimum Accelerated Death Benefit allowed will be \$10,000. The maximum Accelerated Death Benefit allowed for all policies combined covering the Insured issued by the Company will be the lesser of \$250,000 or 75% of the combined Policy Basic Death Benefit for those policies as of the first Accelerated Death Benefit payment. If the first Accelerated Death Benefit payment is less than the maximum, then no more than the remaining balance of the maximum can be paid out later as an Accelerated Death Benefit.
2. If there is an outstanding loan on the policy, the Accelerated Death Benefit payment may be reduced to repay a prorata portion of the policy loan.
3. At the time we pay the Accelerated Death Benefit, if the policy is in the grace period, we will deduct any unpaid premium in accordance with the grace period provision in the policy.
4. The \$250.00 Administrative Fee will be deducted from each Accelerated Death Benefit payment.

### PREMIUM

Premium billing and premium payment requirements will continue, subject to the adjustments described below.

### EFFECT OF THE ACCELERATED DEATH BENEFIT PAYMENT ON THE POLICY

After an Accelerated Death Benefit is paid, the policy and any riders and benefits will remain in force subject to the following adjustments:

1. The Policy Basic Death Benefit after payment of an Accelerated Death Benefit will equal the amount of the Policy Basic Death Benefit before the payment of the Accelerated Death Benefit minus the result of multiplying (a) by (b), where:
  - (a) is the Accelerated Death Benefit; and
  - (b) is 1 (one) plus an interest rate that is the greater of,
    - (i) the federal interest rate under Internal Revenue Code (IRC) section 846(c)(2), or
    - (ii) the policy loan effective interest rate.

3. We will provide new policy data pages showing the reduced coverage amount resulting from the Accelerated Death Benefit payment.

### EXERCISING THE OPTION

We must receive a written request to exercise this option at the Home Office or our designated Administrative Office within 30 days after the certification of diagnosis of the Terminal Illness, or as soon as reasonably possible. The request should include the name of the Insured, the policy number and, must be signed and dated by the Owner. If the policy has an irrevocable beneficiary, that person(s) must also sign the request. If the policy is assigned, we must receive a completed and signed release of assignment. If the policy was issued in a community property state, we may require your spouse to sign the request.

### PROOF OF TERMINAL ILLNESS

We must receive written proof of the Insured's Terminal Illness before we make an Accelerated Death Benefit payment. This proof will consist of a Physician's certification acceptable to us. We may request additional medical information from the Physician submitting the certification or any Physician we consider qualified.

### PHYSICAL EXAMINATION

While a claim is pending, we reserve the right to obtain a second medical opinion and to have the Insured examined at our expense.

### TIME OF PAYMENT OF CLAIMS

After we receive satisfactory written Proof of Terminal Illness, we will pay the Accelerated Death Benefit due.

**PAYMENT OF CLAIMS**

If approved, the Accelerated Death Benefit will be paid in a lump sum to the Owner. If the Insured dies before payment is made, we will pay the entire death benefit of the policy to the Beneficiary in accordance with the policy provisions.

**LEGAL ACTIONS**

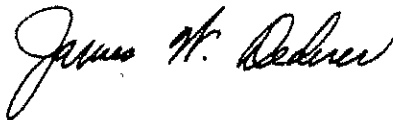
No legal action may be brought to recover the payment requested under this option within 60 days after written Proof of Terminal Illness has been given to us. No such action may be brought after 3 years from the time written proof of the Insured's Terminal Illness has been given to us.

**LIVING BENEFIT RIDER**

If the policy contains a Living Benefit Rider and there is a simultaneous request to exercise the Living Benefit and the Accelerated Death Benefit Option, the Living Benefit request will be processed first; the Accelerated Death Benefit Option request will be processed second and will be based on the adjusted policy values resulting after payment of the Living Benefit.

**TAX QUALIFICATION**

Any amount payable under this option is intended to qualify for federal income tax exclusion (to the maximum extent possible). To that end, the provisions of this endorsement and the policy to which it is attached are to be interpreted to ensure or maintain such tax qualification, notwithstanding any other provisions to the contrary. The Company reserves the right to amend this endorsement and the policy to which it is attached to reflect any clarifications that may be needed or are appropriate to maintain such qualification, or to conform this endorsement and the policy to which it is attached to any applicable changes in the tax qualification requirements. You will be sent a copy of any such amendment.



EXECUTIVE VICE PRESIDENT, GENERAL COUNSEL  
AND CORPORATE SECRETARY



PRESIDENT - LIFE INSURANCE DIVISION

**Life Insurance  
Minimum Premium Requirement  
for the First Ten Policy Years  
Flexible Premiums Payable Thereafter  
During Life of the Insured to Age 95  
Subject to the Limitations Described in the  
Premiums Provision**

**Death Benefit Payable at Death of  
Insured Before Age 95  
Net Cash Value Payable at  
Insured's Age 95**

**Nonparticipating - No Annual Dividends**

**NOTICE TO POLICYHOLDERS**

As our policyholder, your satisfaction is very important to us. Should you have any questions or problems with your policy or a claim, you may contact your agent or our Customer Service Unit at 1-800-852-4678, or write to:

Transamerica Life Companies  
Customer Service Unit  
P.O. Box 419521  
Kansas City, MO 64141-6521

If you are unable to resolve your complaint with your agent or the Company, you may contact the State agency listed below to assist you in resolving your complaint.

California Department of Insurance  
Consumer Services Division  
300 South Spring Street  
Los Angeles, CA 90013

Toll-free Telephone Number: 1-800-927-4357



California Life and Health Insurance  
Guarantee Association Act  
Summary Document and Disclaimer

Residents of California who purchase life and health insurance and annuities should know that the insurance companies licensed in this state to write these types of insurance are members of the California Life and Health Insurance Guarantee Association ("CLHIGA"). The purpose of this Association is to assure that policyholders will be protected, within limits, in the unlikely event that a member insurer becomes financially unable to meet its obligations. If this should happen, the Guarantee Association will assess its other member insurance companies for the money to pay the claims of insured persons who live in this state and, in some cases, to keep coverage in force. The valuable extra protection provided through the Association is not unlimited, as noted in the box below, and is not a substitute for consumers' care in selecting insurers.

The California Life and Health Insurance Guarantee Association may not provide coverage for this policy. If coverage is provided, it may be subject to substantial limitations or exclusions, and require continued residency in California. You should not rely on coverage by the Association in selecting an insurance company or in selecting an insurance policy.

Coverage is NOT provided for your policy or any portion of it that is not guaranteed by the insurer or for which you have assumed the risk, such as a variable contract sold by prospectus.

Insurance companies or their agents are required by law to give or send you this notice. However, insurance companies and their agents are prohibited by law from using the existence of the Guarantee Association to induce you to purchase any kind of insurance policy.

Policyholders with additional questions should first contact their insurer or agent or may then contact

California Life and Health Insurance  
Guarantee Association  
P.O. Box 17319  
Beverly Hills, CA 90209-3319

or

Consumer Service Division  
California Department of Insurance  
300 South Spring Street  
Los Angeles, CA 90013

Below is a brief summary of this law's coverages, exclusions and limits. This summary does not cover all provisions of the law; nor does it in any way change anyone's rights or obligations under the Act or the rights or obligations of the Association.

#### COVERAGE

Generally, individuals will be protected by the California Life and Health Insurance Guarantee Association if they live in this state and hold a life or health insurance contract, or an annuity, or if they are insured under a group insurance contract, issued by a member insurer. The beneficiaries, payees or assignees of insured persons are protected as well, even if they live in another state.

(please turn to next page)

However, persons holding such policies are not protected by this Guarantee Association if:

- \* Their insurer was not authorized to do business in this state when it issued the policy or contract;
- \* Their policy was issued by a health care service plan (HMO) Blue Cross, Blue Shield, a charitable organization, a fraternal benefit society, a mandatory state pooling plan, a mutual assessment company, an insurance exchange, or a grants and annuities society;
- \* They are eligible for protection under the laws of another state. This may occur when the insolvent insurer was incorporated in another state whose guaranty association protects insureds who live outside that state.

The Guarantee Association also does not provide coverage for:

- \* Unallocated annuity contracts; that is, contracts which are not issued to and owned by an individual and which guarantee rights to group contract holders, not individuals;
- \* Employer and association plans, to the extent they are self-funded or uninsured;
- \* Any policy or portion of a policy which is not guaranteed by the insurer or for which the individual has assumed the risk, such as a variable contract sold by prospectus;
- \* Any policy of reinsurance unless an assumption certificate was issued;
- \* Interest rate yields that exceed an average rate;
- \* Any portion of a contract that provides dividends or experience rating credits.

#### LIMITS ON AMOUNTS OF COVERAGE

The Act limits the Association to pay benefits as follows:

##### LIFE AND ANNUITY BENEFITS

- \* 80% of what the life insurance company would owe under a life policy or annuity contract up to
- \* \$100,000 in cash surrender values,
- \* \$100,000 in present value of annuities, or
- \* \$250,000 in life insurance death benefits.
- \* A maximum of \$250,000 for any one insured life no matter how many policies and contracts there were with the same company, even if the policies provided different types of coverages.

##### HEALTH BENEFITS

- \* A maximum of \$200,000 of the contractual obligations that the health insurance company would owe were it not insolvent. The maximum may increase or decrease annually based upon changes in the health care cost component of the consumer price index.

##### PREMIUM SURCHARGE

Member insurers are required to recoup assessments paid to the Association by way of a surcharge on premiums charged for health insurance policies to which the Act applies.

# INVESTMENT GRADE UNIVERSAL LIFE

## ILLUSTRATION OF VALUES OF TRANSULTRA (SM)

VALUES PAGE: 1      DATE: 7/10/1996      FOR: GERALD LYONS

	MALE AGE 49	TAX BRACKET 28.00%	TRANSULTRA INTEREST RATE 6.75%	INITIAL PAYMENT 3,244	INITIAL DEATH BENEFIT 250,000
	(1)		(2)	(3)	(4)
			INCREASE IN ACCU VALUE*	YEAR END ACCU VALUE*	YEAR END SURRENDER VALUE*
YEAR	NET PAYMENT				DEATH BENEFIT
1	3,244		2,200	2,200	250,000
2	3,244		2,427	4,627	250,000
3	3,244		2,602	7,229	250,000
4	3,244		2,788	10,017	250,000
5	3,244		2,989	13,006	250,000
6	3,244		3,203	16,209	250,000
7	3,244		3,434	19,643	250,000
8	3,244		3,679	23,322	250,000
9	3,244		3,944	27,266	250,000
10	3,244		4,227	31,493	250,000
11	3,244		4,382	35,875	250,000
12	3,244		4,485	40,360	250,000
13	3,244		4,670	45,030	250,000
14	3,244		4,875	49,905	250,000
15	3,244		5,103	55,008	250,000
16	3,244		5,358	60,366	250,000
17	3,244		5,652	66,018	250,000
18	3,244		5,977	71,995	250,000
19	3,244		6,330	78,325	250,000
20	3,244		6,721	85,046	250,000
	64,880				

### 20 YEAR SUMMARY

\*SEE ATTACHED PROPOSAL FROM TRANSAMERICA  
OCCIDENTAL LIFE INSURANCE COMPANY FOR  
TRANSULTRA DETAILS, GUARANTEES AND CAVEATS.

CUM. PAYMENTS	64,880
SURRENDER VALUE	85,046
DEATH BENEFIT	250,000

**INVESTMENT GRADE UNIVERSAL LIFE**  
**ILLUSTRATION OF VALUES**  
**OF**  
**TRANSULTRA (SM)**

VALUES PAGE: 2      DATE: 7/10/1996      FOR: GERALD LYONS

MALE AGE	TAX BRACKET	TRANSULTRA INTEREST RATE	INITIAL PAYMENT	INITIAL DEATH BENEFIT	
49	28.00%	6.75%	3,244	250,000	
(1)	(2)	(3)	(4)	(5)	
YEAR	NET PAYMENT	INCREASE IN ACCU VALUE*	YEAR END ACCU VALUE*	YEAR END SURRENDER VALUE*	DEATH BENEFIT
21	0	3,826	88,872	88,872	250,000
22	0	4,035	92,907	92,907	250,000
23	0	3,971	96,878	96,878	250,000
24	0	3,919	100,797	100,797	250,000
25	0	3,886	104,683	104,683	250,000
26	0	3,865	108,548	108,548	250,000
27	0	3,864	112,412	112,412	250,000
28	0	3,881	116,293	116,293	250,000
29	0	3,918	120,211	120,211	250,000
30	0	3,979	124,190	124,190	250,000
31	0	4,064	128,254	128,254	250,000
32	0	4,181	132,435	132,435	250,000
33	0	4,486	136,921	136,921	250,000
34	0	4,835	141,756	141,756	250,000
35	0	5,229	146,985	146,985	250,000
36	0	5,676	152,661	152,661	250,000
37	0	6,185	158,846	158,846	250,000
38	0	6,762	165,608	165,608	250,000
39	0	7,416	173,024	173,024	250,000
40	0	8,159	181,183	181,183	250,000
64,880					

40 YEAR SUMMARY

\*SEE ATTACHED PROPOSAL FROM TRANSAMERICA  
 OCCIDENTAL LIFE INSURANCE COMPANY FOR  
 TRANSULTRA DETAILS, GUARANTEES AND CAVEATS.

CUM. PAYMENTS	64,880
SURRENDER VALUE	181,183
DEATH BENEFIT	250,000

# INVESTMENT GRADE UNIVERSAL LIFE

## ILLUSTRATION OF VALUES OF TRANSULTRA (SM)

VALUES PAGE: 3

DATE: 7/10/1996

FOR: GERALD LYONS

	MALE AGE 49	TAX BRACKET 28.00%	TRANSULTRA INTEREST RATE 6.75%	INITIAL PAYMENT 3,244	INITIAL DEATH BENEFIT 250,000
	(1)		(2)	(3)	(4)
			INCREASE IN ACCU VALUE*	YEAR END ACCU VALUE*	YEAR END SURRENDER VALUE*
YEAR	NET PAYMENT				DEATH BENEFIT
41	0		9,003	190,186	190,186
42	0		9,960	200,146	200,146
43	0		10,810	210,956	210,956
44	0		11,886	222,842	222,842
45	0		13,230	236,072	236,072
46	0		14,900	250,972	250,972

64,880

### 46 YEAR SUMMARY

\*SEE ATTACHED PROPOSAL FROM TRANSAMERICA  
OCCIDENTAL LIFE INSURANCE COMPANY FOR  
TRANSULTRA DETAILS, GUARANTEES AND CAVEATS.

CUM. PAYMENTS	64,880
SURRENDER VALUE	250,972
DEATH BENEFIT	250,973





Transamerica Occidental  
Life Insurance Company  
Home Office: Los Angeles, CA

POLICY FORM SRUL-PC-V  
Individual Life Insurance

4

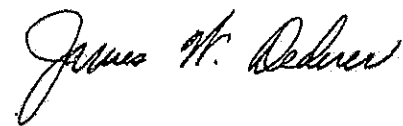
INSURED DONNA M WHITE

92448993 POLICY NUMBER

FACE AMOUNT \$100,000

MAY 12 1980 DATE OF ISSUE

While this policy is in force, Transamerica Occidental Life Insurance Company will pay the death benefit to the beneficiary if the Insured dies before the policy anniversary nearest the Insured's age 95, or will pay the net cash value to the owner on the policy anniversary nearest the Insured's age 95 if the Insured is living on that date. All payments are subject to the provisions of this policy.



EXECUTIVE VICE PRESIDENT, GENERAL COUNSEL  
AND CORPORATE SECRETARY

Signed for the Company at Los Angeles, California, on the date of issue.



PRESIDENT

Right to Examine and Return Policy Within 10 Days — At any time within 10 days after you receive this policy, you may return it to us or the agent through whom you bought it. We will cancel the policy and void it from the beginning. We will refund to you any premiums paid.

Life Insurance  
Minimum Premium Requirement  
for the First Ten Policy Years  
Flexible Premiums Payable Thereafter  
During Life of the Insured to Age 95  
Subject to the Limitations Described  
in the Premiums Provision

Death Benefit Payable at Death of  
Insured Before Age 95  
Net Cash Value Payable at  
Insured's Age 95

Nonparticipating - No Annual Dividends

This policy is a legal contract between you, the Policy Owner, and Transamerica Occidental Life Insurance Company.

# READ YOUR POLICY CAREFULLY

## POLICY SUMMARY

We will pay the death benefit to the Beneficiary if the Insured dies before the Maturity Date.

You must pay at least the minimum premium per year during the first 10 policy years or the policy will lapse. After that, you may vary the amount of premiums and how often you pay them, within certain limits. Generally, you may pay premiums as long as the Insured is living. If the Insured is living at the policy anniversary nearest age 95, we will pay the net cash value to you.

Additional benefits, if any, are provided by rider.

This is only a brief description. The insurance is fully described in the various provisions of the policy.

## GUIDE TO POLICY PROVISIONS

Page

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CLASS A LOAN INTEREST RATE 5.21% IN ADVANCE MAY 12 1993 POLICY DATE

CLASS B LOAN INTEREST RATE 7.40% IN ADVANCE 6.00% REINSTATEMENT INTEREST RATE

INSURED DONNA M WHITE 60 AGE OF INSURED  
92448993 POLICY NUMBER

FACE AMOUNT \$100,000 MAY 12 1980 DATE OF ISSUE

DEATH BENEFIT OPTION OPTION I PREFERRED CLASS OF RISK

OWNER CLARENCE E WHITE NON-SMOKER

THE CHARGE FOR ANY ADDITIONAL BENEFITS WHICH ARE PROVIDED BY RIDER IS SHOWN BELOW. ONLY A BRIEF DESCRIPTION IS GIVEN. THE COMPLETE PROVISIONS ARE INCLUDED IN THE RIDER.

RIDER NUMBER	SCHEDULE OF ADDITIONAL BENEFITS	ANNUAL PREMIUM
NONE		NO CHARGE

PLANNED PERIODIC PREMIUMS: \$1,053.00 ANNUAL  
REQUIRED PREMIUM PER YEAR IN POLICY YEARS 1-10: \$1,175.00  
PREMIUM QUALIFICATION CREDIT PERIOD: 10 YEARS  
PREMIUM QUALIFICATION CREDIT PERCENTAGE: 2 %

GUARANTEED MONTHLY POLICY FEE: POLICY YEAR 1 - \$4.00  
POLICY YEARS 2 AND LATER - NOT TO EXCEED \$10.00

GUARANTEED MONTHLY EXPENSE CHARGE: POLICY YEARS 1 - 10 - \$0.00  
POLICY YEARS 11 AND LATER - SEE PAGE 3

NOTE: THIS POLICY MAY TERMINATE PRIOR TO THE INSURED'S AGE 95 IF:  
(1) THE ACCUMULATION VALUE MINUS ANY LOAN(S) IS LESS THAN THE MONTHLY DEDUCTION DUE, OR  
(2) THE REQUIRED PREMIUMS IN THE FIRST 10 YEARS ARE NOT PAID.

*7 years - 8225 - \$8591 have  
age 76 stays in force with no payments  
after year 10 Tina McMillian  
9400 s/have  
# 809 due in 200*

## TABLE OF ANNUALIZED GUARANTEED MAXIMUM MONTHLY DEDUCTION RATES PER \$1,000 \*

POLICY YEAR BEGINNING	POLICY EXCLUDING RIDERS	POLICY YEAR BEGINNING	POLICY EXCLUDING RIDERS
MAY 12 1993	\$7.79	MAY 12 2011	\$52.53
MAY 12 1994	7.79	MAY 12 2012	58.45
MAY 12 1995	7.79	MAY 12 2013	65.12
MAY 12 1996	7.79	MAY 12 2014	72.76
MAY 12 1997	7.79	MAY 12 2015	81.59
MAY 12 1998	7.79	MAY 12 2016	91.76
MAY 12 1999	7.79	MAY 12 2017	103.03
MAY 12 2000	7.79	MAY 12 2018	115.38
MAY 12 2001	7.79	MAY 12 2019	128.58
MAY 12 2002	7.79	MAY 12 2020	142.71
MAY 12 2003	21.20	MAY 12 2021	157.61
MAY 12 2004	23.34	MAY 12 2022	173.51
MAY 12 2005	25.99	MAY 12 2023	190.39
MAY 12 2006	29.22	MAY 12 2024	208.58
MAY 12 2007	33.02	MAY 12 2025	228.60
MAY 12 2008	37.32	MAY 12 2026	251.40
MAY 12 2009	42.04	MAY 12 2027	279.31
MAY 12 2010	47.11		

\* TO FIND THE AMOUNT OF MONTHLY DEDUCTION DURING EACH POLICY YEAR, SEE THE GUARANTEED VALUES SECTION. A POLICY FEE OF \$4.00 WILL BE ADDED INTO EACH MONTHLY DEDUCTION FOR THE FIRST POLICY YEAR. IN SUBSEQUENT YEARS THE MONTHLY POLICY FEE WILL NOT EXCEED \$10.00. A MONTHLY EXPENSE CHARGE WILL ALSO BE ADDED TO EACH MONTHLY DEDUCTION BEGINNING IN POLICY YEAR 11 (SEE PAGE 3).

TO DETERMINE THE EQUIVALENT MONTHLY DEDUCTION RATES, DIVIDE THE ANNUALIZED MONTHLY DEDUCTION RATES SHOWN ABOVE BY 12.

THE RATES SHOWN ABOVE FOR THE FIRST 10 POLICY YEARS ARE CURRENT RATES THAT ARE GUARANTEED FOR THE FIRST 10 POLICY YEARS. THE RATES FOR YEARS 11 AND AFTER ARE THE GUARANTEED MAXIMUM RATES.

TABLE OF POLICY VALUES AND BENEFITS

ILLUSTRATIVE PREMIUMS (1)  
GUARANTEED BASIS (2)

END OF POLICY YEAR	PLANNED ANNUALIZED PREMIUM	DEATH BENEFIT	ACCUMULATION VALUE(3)	CASH VALUE (4)
1	\$2,273.00	\$100,000	\$1,445	\$0
2	1,053.00	100,000	1,695	0
3	1,053.00	100,000	1,960	0
4	1,053.00	100,000	2,240	0
5	1,053.00	100,000	2,537	37
6	1,053.00	100,000	2,850	750
7	1,053.00	100,000	3,182	1,582
8	1,053.00	100,000	3,533	2,433
9	1,053.00	100,000	3,904	3,404
10	1,053.00	100,000	4,297	4,297
11	1,053.00	100,000	2,819	2,819
12	1,053.00	100,000	998	998
13	1,053.00	0	0	0
14	0.00	0	0	0
15	0.00	0	0	0
16	0.00	0	0	0
17	0.00	0	0	0
18	0.00	0	0	0
19	0.00	0	0	0
20	0.00	0	0	0

AGE 65 1,053.00 100,000 2,537 37

(1) THE ACCUMULATION AND CASH VALUES RESULT FROM THE INTEREST RATES, MONTHLY DEDUCTIONS, PREMIUM QUALIFICATION CREDITS AND THE TIMELY PAYMENT OF THE PLANNED ANNUALIZED PREMIUMS. PARTIAL SURRENDERS, SURRENDER-PENALTY-FREE WITHDRAWALS OR LOANS MAY CHANGE THESE RESULTS.

(2) RESULTS CALCULATED ON A GUARANTEED BASIS REFLECT GUARANTEED MONTHLY DEDUCTION RATES AND THE CUMULATIVE GUARANTEED INTEREST RATE OF 5.00%.

(3) ACCUMULATION VALUES ILLUSTRATED ON A GUARANTEED BASIS REFLECT ACCUMULATED NET PREMIUMS AND PREMIUM QUALIFICATION CREDIT AMOUNTS PLUS ACCRUED INTEREST AT THE CUMULATIVE GUARANTEED INTEREST RATE LESS ACCRUED GUARANTEED MAXIMUM MONTHLY DEDUCTIONS WHICH INCLUDE THE POLICY FEE, THE MONTHLY EXPENSE CHARGE AND THE COST OF ANY RIDERS. WHILE A POLICY LOAN(S) EXISTS, THE INTEREST RATE APPLICABLE TO THE ACCUMULATION VALUE SECURING THE LOAN(S) MAY DIFFER FROM THE INTEREST RATE APPLICABLE TO THE ACCUMULATION VALUE NOT SECURING THE LOAN(S).

THE REDUCED PAID-UP VALUES (MAXIMUM NET SINGLE PREMIUMS AND FACE AMOUNTS PER THOUSAND) ARE SHOWN IN THE POLICY AFTER THE NONFORFEITURE OPTIONS PROVISION.

(4) THE DIFFERENCE BETWEEN THE ACCUMULATION VALUE AND THE CASH VALUE IS THE SURRENDER PENALTY.

CURRENT MONTHLY DEDUCTION RATES AND MONTHLY EXPENSE CHARGES ARE NOT GUARANTEED AFTER POLICY YEAR 10, NOR ARE THEY ESTIMATES FOR THE FUTURE. POLICY FEES ARE NOT GUARANTEED AFTER THE FIRST POLICY YEAR, NOR ARE THEY ESTIMATES FOR THE FUTURE.

PREMIUMS ARE SUBJECT TO REFUND UNDER CONDITIONS DESCRIBED IN THE POLICY.



**MAXIMUM GUARANTEED ANNUALIZED MONTHLY EXPENSE CHARGES  
PER THOUSAND OF FACE AMOUNT**

**POLICY YEARS 1-10**

ISSUE AGE	NON-SMOKER	SMOKER	ISSUE AGE	NON-SMOKER	SMOKER
45-64	0	0	65-80	0	0

**POLICY YEARS 11 AND LATER**

ISSUE AGE	NON-SMOKER	SMOKER	ISSUE AGE	NON-SMOKER	SMOKER
45	.48	2.13	65	10.73	18.22
46	.59	2.71	66	11.39	18.54
47	.74	3.36	67	13.38	21.68
48	.92	4.05	68	15.62	25.09
49	1.14	4.81	69	18.10	28.65
50	1.21	5.15	70	20.86	32.15
51	1.28	5.49	71	23.77	35.14
52	1.59	6.26	72	27.07	37.13
53	1.98	7.04	73	30.62	37.51
54	2.43	7.46	74	34.38	37.89
55	2.62	7.88	75	38.13	38.13
56	2.81	8.31	76	42.57	42.57
57	3.49	8.75	77	47.63	47.63
58	4.29	9.87	78	50.12	50.12
59	5.24	11.22	79	53.89	53.89
60	5.68	11.37	80	56.76	56.76
61	6.07	11.54			
62	7.37	13.34			
63	8.83	15.47			
64	10.48	17.98			

TO DETERMINE THE EQUIVALENT MONTHLY EXPENSE CHARGES, DIVIDE THE ANNUALIZED MONTHLY EXPENSE CHARGES SHOWN ABOVE BY 12.

## DEFINITIONS

In this policy:

**We, our or us** means Transamerica Occidental Life Insurance Company.

**You and your** means the Owner of this policy.

**Accumulation Value** is the policy's total value as described in the Accumulation Values section.

**Age** means the Insured's age on the nearest birthday.

**The Beneficiary** is the person to whom we will pay the death benefit if the Insured dies.

**Cash Value** means the accumulation value as described in the Accumulation Values section, less any surrender penalty.

**Home Office** means Transamerica Occidental Life Insurance Company, Box 2101, Los Angeles, California 90051-0101.

**Lapse** means termination of the policy at the end of the Grace Period due to insufficient premium or accumulation value. If there is remaining net cash value at the end of the Grace Period, it will be applied to the Nonforfeiture Option.

**A Policy Loan** is indebtedness to us for a loan secured by this policy.

**The Maturity Date** is the policy anniversary nearest the Insured's age 95.

**The Maximum Loan Value** is the largest amount you may borrow under the loan provisions.

**A Monthly Deduction** is an amount we withdraw from the accumulation value on the monthly policy date.

**The Monthly Deduction** is equal to:

(a) the monthly deduction rate, times .001, times the difference between the death benefit and the accumulation value at the beginning of the policy year,

plus (b) the monthly deduction for any riders,

plus (c) the policy fee as shown in the Policy Data.

plus (d) the monthly expense charge per thousand of face amount as shown on page 3, times .001, times the face amount.

**The Net Cash Value** is the cash value less any existing loans.

**A Net Premium** is 96% of any premium you pay.

**Reinstate** means to restore coverage after the policy has lapsed.

**The Required Premium Per Year** is the minimum amount of premium you must pay in each of the first ten policy years.

**A rider** is an attachment to the policy that provides an additional benefit.

**Written Request** means a signed request in a form satisfactory to us that is received at our Home Office.

We will send any notice under the provisions of this policy to your last known address and to any assignee of record.

We will use the Policy Date shown in the policy data to determine the monthly dates, policy anniversaries and policy years.

## OWNERSHIP

**Owner of the Policy** -- Only you, the Owner, are entitled to the rights granted under this policy while the Insured is living. If you are an individual and you die before the Insured, your rights will pass to the executor or administrator of your estate for disposition unless stated otherwise in this policy. If the Owner is a partnership, the rights belong to the partnership as it exists when a right is exercised.

**Assignment of the Policy** -- We are not responsible for the adequacy of any assignment. However, if you file the assignment with us and we record it at our Home Office, your rights and those of any revocable beneficiary will be subject to it.

## THE BENEFICIARY

**Who Receives the Death Benefit --** When the Insured dies, we will pay the death benefit to the beneficiary. The beneficiary is as designated in the application, unless changed as shown under "How to Change a Beneficiary" below. If the beneficiary is a partnership, we will pay the death benefit to the partnership as it existed when the Insured died.

**Protection of the Death Benefit --** To the extent permitted by law, no death benefit will be subject to the claims of the beneficiary's creditors or to any legal process against the beneficiary.

**If the Beneficiary Dies --** If any beneficiary dies before the Insured, that beneficiary's interest in the death benefit will end. If any beneficiary dies at the same time as the Insured, or within 30 days after the Insured, that beneficiary's interest in the death benefit will end if no benefits have been paid to that beneficiary. If the interest of all designated beneficiaries has ended when the Insured dies, we will pay the death benefit to you if you are not living at that time, we will pay the death benefit to the executor or administrator of your estate.

**How to Change a Beneficiary --** You may change the designated beneficiary by sending a satisfactory written notice to us. The change will not be effective until we record it at our Home Office. Even if the Insured is not living when we record the change, the change will take effect as of the date it was signed. However, any benefits we pay before we record the change will not be subject to the change.

A beneficiary designated irrevocably may not be changed without the written consent of that beneficiary.

## PAYMENT OF THE DEATH BENEFIT

**Proof of Death --** We will pay any benefit payable because of death when we receive due proof of the Insured's death. The proof must be sent to us at our Home Office. We will send appropriate forms to the beneficiary upon request. Any of our agents will help the beneficiary fill out the forms without charge. We will send all payments from our Home Office.

**Death Benefit --** The amount of the death benefit may be affected by other policy provisions, such as Policy Loans, Misstatement of Age or Sex, or Partial Surrenders.

**Death Benefit Option --** The death benefit will be based on whether you have chosen Option I or Option II, as shown on page 2 of the Policy Data.

**Option I: The death benefit will be the greater of:**

- (a) the face amount plus the net increase, if any, in the accumulation value from the last policy anniversary to the date of the Insured's death; or
- (b) the death benefit factor times the accumulation value as of the date of the Insured's death.

**Option II: The death benefit will be the greater of:**

- (a) the face amount plus the accumulation value as of the date of the Insured's death; or
- (b) the death benefit factor times the accumulation value as of the date of the Insured's death.

In no event will the amount of death benefit be less than the amount needed to continue to qualify the policy as a life insurance contract under Section 7702 of the Internal Revenue Code, as such section is in effect at the time this policy is issued and the regulations thereunder.

We will reduce the death benefit by any existing policy loans, by the portion of the grace period premium necessary to provide insurance to the date of the Insured's death, and by the pro rata portion of the monthly deduction for the period from the last monthly date to the date of death.

The net increase in accumulation value is equal to:

- (a) the sum of all net premiums less any refunds since the last policy anniversary,
- plus (b) accrued interest from the last policy anniversary to the date of death,
- plus (c) any Premium Qualification Credits,
- minus (d) the sum of accrued monthly deductions from the last policy anniversary to the date of death,
- minus (e) the sum of Partial Surrender amounts, Partial Surrender penalties and Surrender-Penalty-Free Withdrawal amounts.

(See Accumulation Values in the Guaranteed Values section for details).

**DEATH BENEFIT FACTORS**

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Insured's Attained Age	Death Benefit Factor	Insured's Attained Age	Death Benefit Factor
45	2.16	70	1.16
46	2.09	71	1.13
47	2.03	72	1.11
48	1.97	73	1.09
49	1.91	74	1.07
50	1.85	75	1.05
51	1.78	76	1.05
52	1.71	77	1.05
53	1.64	78	1.05
54	1.57	79	1.05
55	1.50	80	1.05
56	1.46	81	1.05
57	1.42	82	1.05
58	1.38	83	1.05
59	1.34	84	1.05
60	1.30	85	1.05
61	1.28	86	1.05
62	1.26	87	1.05
63	1.24	88	1.05
64	1.22	89	1.05
65	1.20	90	1.05
66	1.19	91	1.04
67	1.18	92	1.03
68	1.17	93	1.02
69	1.16	94	1.01
		95	1.00

**PAYMENT OF PREMIUMS**

We will accept any amount you send us as a premium payment while this policy is in force, subject to the Premium Limitation provision and these conditions:

1. You may send premiums to our Home Office or you may pay them to an agent or cashier we authorize. We will give you a receipt if you ask for one.

2. You must pay the Required Premium Per Year for the first 10 policy years. These premiums may be paid cumulatively in advance. At the end of each of the first 10 policy years, we will calculate the cumulative total of all premiums paid, less any Partial Surrenders and Surrender Penalty-Free Withdrawals. We will divide this total by the number of years since the policy date. This amount must equal or exceed the Required Premium Per Year for each year in the required premium period or your policy will enter the Grace Period. (See page 2 of the policy data). If your policy enters the Grace Period (see the Grace Period provision on page 7) and there is any net cash value remaining at the end of the Grace Period, we will apply it to the Nonforfeiture Options. (See Nonforfeiture Options)

provision on page 11.) If there is no net cash value remaining at the end of the Grace Period, your policy will lapse.

3. You may pay premiums at any time. Each premium must be at least \$25 and may not exceed the limits described in the Premium Limitation provision on this page. All net premium payments will become part of the Accumulation Value.

**Premium Limitation** -- We reserve the right to refund any unscheduled premium during a particular policy year if the total premium paid:

- increases the difference between the death benefit and the accumulation value, and
- is more than \$20 per thousand of face amount and more than three times the total of the monthly deductions for the last year.

We also reserve the right to refund any unscheduled premiums that exceed \$25,000 in any 12-month period.

After the first policy year and before the tenth policy year, we reserve the right to refund any unscheduled premium that would cause the total premium paid in any one of those policy years to exceed five times the Required Premium Per Year. Beginning with the eleventh policy year, we reserve the right to refund any unscheduled premium that would cause the total premium paid in any one policy year to exceed three times the Required Premium Per Year. The Required Premium Per Year is shown on page 2 of the policy data. We will not refund any premium if that premium would cause the accumulation value minus any loan to be less than the monthly deduction due.

We will not refund any amount if doing so would cause your policy to enter the Grace Period before the next anniversary.

As of the end of any policy year, if the premiums paid exceed the amount allowable if this policy is to continue to qualify as a life insurance contract under Section 7702 of the Internal Revenue Code, as such Section is in effect at the time this policy is issued, and the regulations thereunder, we will remove the excess amount of premiums paid from the policy, with interest, as of the end of that policy year. We will refund to you this excess amount (including interest) within 60 days after the end of that policy year.

Such an excess amount could occur, for example, as a result of a Partial Surrender or other change in the benefits or terms of the policy, since the premium amount allowable for the policy may be reduced.

The amount refundable will not exceed the net cash value of the policy. If the entire net cash value is refunded, we will treat the transaction as a full surrender of your policy.



**Continuation of Insurance** -- Between premium payments we automatically continue your policy at the same face amount and with any additional benefits provided by rider, subject to the Grace Period provision below. Refer to the Monthly Deduction section for further explanation.

**Grace Period** -- A Grace Period is a period of 31 days after (a) a monthly date when the accumulation value minus any existing loan is less than the monthly deduction due, or (b) a policy anniversary on which the cumulative Required Premium Per Year has not been paid during the first 10 policy years. (See Payment of Premiums provision number 2 on page 6.) We will notify you that the Grace Period has begun and that you must pay a premium large enough to keep the policy in force before the 31 days are up. If you do not pay enough premium, and there is no net cash value, your policy will lapse. If there is any net cash value remaining at the end of the Grace Period, we will apply it to the Nonforfeiture Options. (See Nonforfeiture Options provision on page 11).

Since a monthly deduction is made on each monthly date for the prior month, and a nominal 31-day grace period is provided after that monthly date, there will always be at least a 62-day effective grace period for payment of overdue premiums.

During the grace period, we will not charge interest on the premium due. If the Insured dies during the grace period and before you pay the premium we will subtract from the death benefit the cost of coverage to the date the Insured died.

**Premium Qualification Credit** -- At the end of each policy year during the required premium period, we will calculate your total premium payments as described under Payment of Premiums provision number 2. If the total equals or exceeds the required amount, we will deposit a Premium Qualification Credit to your policy's accumulation value at the beginning of the next policy year.

The amount of the credit will be a specific percentage of the Required Annual Premium shown on page 2 of the policy data.

We must receive enough premium to qualify for the credit by your policy's anniversary, or you will not receive the credit for that policy year. You may still qualify for the credit in any future years in the qualification period.

The Premium Qualification Credit Period and the Premium Qualification Credit Percentage are shown on page 2 of the policy data.

**Reinstatement of Lapsed Policy** -- If this policy lapses, it may be reinstated provided it was not surrendered. To reinstate the policy, you must meet the following conditions:

1. You must request reinstatement in writing within three years after the date of lapse and before the Maturity Date.
2. The Insured must still be insurable by our standards.
3. If any loans existed when the policy lapsed, you must repay or reinstate them with interest compounded annually from the date of lapse at the interest rate of 5.5% for a Class A loan, and 8.0% for a Class B loan.
4. The reinstated policy will be subject to the minimum premium requirement during the first 10 policy years. (See page 2 of Policy Data and Payment of Premiums provision, number 2.) If the policy lapsed during one of the first 10 policy years and is reinstated in a different policy year, you must pay a premium large enough to meet the minimum premium requirement at the time of reinstatement, with interest compounded annually at the reinstatement interest rate of 6%. If the policy lapsed after the tenth policy year, or if it lapsed in one of the first 10 policy years and is reinstated in the same policy year, you must pay a premium large enough to cover two monthly deductions due when the policy lapsed and three monthly deductions due when the policy is reinstated.
5. If you reinstate the policy during the first 10 policy years, you must repay any net cash value given to you at the time of lapse, with interest compounded annually at the reinstatement interest rate of 6%.

The Accumulation Value of the reinstated policy will be: the surrender penalty at the time of lapse; plus any net cash value we paid you at the time of lapse; plus any loan reinstated; plus 96% of any premium you pay at reinstatement; minus any monthly deductions due at the time of lapse.

## GUARANTEED VALUES

**Accumulation Values:** -- The accumulation value on any specified date on or before the first policy anniversary is equal to:

1. All net premiums paid less any refunds since issue, plus accrued interest from the date each premium is received in the Home Office to the specified date.

minus 2. All monthly deductions charged since issue, plus accrued interest from each monthly date to the specified date.

minus 3. Any partial surrenders since issue, plus accrued interest from each partial surrender date to the specified date.

The accumulation value on any specified date after the first policy anniversary is equal to:

1. The accumulation value on the last policy anniversary plus accrued interest from the last policy anniversary to the specified date.

plus 2. Any Premium Qualification Credit amounts deposited in the accumulation value since the last policy anniversary, plus accrued interest from the beginning of the year to the specified date.

plus 3. All net premiums paid less any refunds since the last policy anniversary, plus accrued interest from the date each premium is received in the Home Office to the specified date.

minus 4. All monthly deductions charged since the last policy anniversary, plus accrued interest from each monthly date to the specified date.

minus 5. Any partial surrenders and Surrender-Penalty-Free Withdrawals including partial surrender penalties since the last policy anniversary, plus accrued interest from each partial surrender or withdrawal date to the specified date.

A Table of Policy Values is included in this policy. It is based on the information you gave us when the policy was issued. The values shown may change as the declared interest rates, your premium payments, and other factors change from the illustrated data. Every year we will send you a statement of actual policy values.

**Guaranteed Interest Rates** -- The net premium accrues simple interest from the date we receive it in the Home Office. Interest is credited annually on each policy anniversary.

We guarantee that your accumulation value on any policy anniversary will be at least equal to what it would have been if the credited interest rate had always been 5%. The minimum interest rate we credit at any one time will never be less than 4%.

We may declare a higher interest rate than the guaranteed minimum rate at any time. Each rate we declare replaces the guaranteed minimum rate until we declare a different one.

The interest rate for any portion of the accumulation value equal to the amount of any policy loan will be at the effective annual loan interest rate less 0% for Class A loans, and less 2.5% for Class B loans.

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**Monthly Deduction Rates** -- We will determine the monthly deduction rate for each policy year at the beginning of that year. We will use the Insured's age as of that policy year.

A Table of Annualized Guaranteed Monthly Deduction Rates is in the policy data. We may use rates lower than these annualized guaranteed monthly deduction rates. We will never use higher rates.

A Table of Maximum Guaranteed Annualized Monthly Expense Charges is on page 3. We may use expense charges lower than these maximum guaranteed annualized monthly expense charges. We will never use higher expense charges.

**Monthly Deduction** -- At the end of each policy month, we will take the monthly deduction for the prior month from the accumulation value.

The Monthly Deduction is equal to

- (a) the monthly deduction rate, times .001, times the difference between the death benefit and the accumulation value at the beginning of the policy year,

plus (b) the monthly deduction for any riders,

plus (c) the policy fee as shown in the Policy Data,

plus (d) the monthly expense deduction. This is the monthly expense charge per thousand of face amount as described on page 3, times .001, times the face amount.

#### CASH VALUE

You may borrow the cash value, or take it as a partial or full surrender of the policy. All of these transactions are described in this section. We guarantee that the cash value always equals or exceeds the amount required by the law in effect at the time of issue in the state in which this policy is delivered.

**Policy Loans** -- If you request a policy loan in the first ten policy years, we will handle it as a Class B loan.

After the tenth policy year, we will handle one loan request per year as a Class A loan, subject to the limitation shown below under Class A Policy Loan.

After the tenth policy year, we will treat any amount over the limitation in a Class A loan, and any loan request after the first in a policy year, as a Class B loan.

**Class A Policy Loans** -- After the tenth policy anniversary, we will make a loan subject to the following conditions:

1. The loan will only be allowed one time during a policy year.
2. The maximum amount allowed as a Class A loan in any one policy year will be the lesser of 10% of the current accumulation value as of the request date and the maximum loan amount, as described in number 3 below.
3. The maximum loan amount is the accumulation value as of the date of the loan request, minus
  - a. any existing loan(s);
  - b. interest on the amount of the loan to the end of the policy year; and

c. the full surrender penalty or three monthly deductions, whichever is greater.

4. You must pay interest on the total loan balance each year in advance, on the policy anniversary. The annual effective loan interest rate is 5.5% (5.21% in advance). If you do not pay the interest when it is due, we will add the amount of interest to the loan. We will charge interest on this amount at the same interest rate being charged on the loan.

5. You must assign the policy to us to the extent of the outstanding loan. If the Insured dies, we will deduct the outstanding loan from the death benefit before we pay the death benefit to the beneficiary.

6. The loan will be secured by that portion of the accumulation value equal to the amount of the loan.

**Class B Policy Loans** -- We will make a loan subject to the following conditions:

1. The maximum amount allowed as a Class B loan is the accumulation value as of the date of the loan request, minus
  - a. any existing loan(s);
  - b. interest on the amount of the loan to the end of the policy year; and
  - c. the full surrender penalty or three monthly deductions, whichever is greater.



2. You must pay interest on the total loan balance each year in advance, on the policy anniversary. The annual effective loan interest rate is 8.0% (7.4% in advance). If you do not pay the interest when it is due, we will add the amount of interest to the loan. We will charge interest on this amount at the same interest rate being charged on the loan.
3. You must assign the policy to us to the extent of the outstanding loan. If the insured dies, we will deduct the outstanding loan from the death benefit before we pay the death benefit to the beneficiary.
4. The loan will be secured by that portion of the accumulation value equal to the amount of the loan.

**Loan Repayment** -- You may repay any part of a loan at any time while the insured is living and before the Maturity Date.

If you wish to make a loan repayment, you must tell us that the payment you send us is for that purpose. Unless your payment is clearly marked as a loan repayment, we will assume it is a premium payment except as indicated in the Premium Limitation Provision. When we receive a loan repayment we will apply it to the portion of the accumulation value that secures a loan. If a payment would cause the policy to fail to qualify as a life insurance contract under Section 7702, of the Internal Revenue Code, as such Section is in effect at that time, and the regulations thereunder, the portion of the payment that cannot be accepted as premium will be applied against any outstanding policy loans before a refund is made.

**Loan Repayments** will first be applied to any outstanding Class B loans and then to any outstanding Class A loans. Within the Class A and B loan categories, the repayments will be applied first to loans with the most recent loan dates.

Your policy will not lapse if you do not repay a loan. However, the portion of the accumulation value not securing a loan must be large enough to cover the monthly deduction due and any loan interest due not paid in cash. (See Grace Period provision for details.)

If the policy loan interest due is not paid in cash by you, a new loan of the same class (A or B) will be created to cover the interest. The new loan will have the same interest rate as the loan to which it is added (Class A or B). Any loan interest paid will first apply to Class B loans, then to Class A Loans.

**Partial Surrender** -- Any time following the tenth day after you have received this policy, you may surrender a portion of this policy for its value if you send us a written request. During the first 10 policy years, a partial surrender penalty will be assessed on any surrender amount you request that exceeds the amount eligible for surrender without penalty as described in the Surrender-Penalty-Free Withdrawal provision. We will deduct from the policy's accumulation value (a) the surrender amount you request, plus (b) the partial surrender penalty on the surrender amount that exceeds the amount eligible for surrender without penalty. If you chose Death Benefit Option 1, we will also deduct from the policy's face amount (a) the surrender amount you request minus the amount eligible for surrender without penalty, plus (b) the partial surrender penalty on the surrender amount that exceeds the amount eligible for surrender without penalty. The face amount may not be less than the published minimum for this plan. The lower face amount may result in a higher monthly deduction rate per thousand.

The partial surrender penalty is the greater of:

- 1) \$25, or
- 2) the proportionate full surrender penalty.

The proportionate full surrender penalty may be calculated as follows:

Let  $X$  = surrender amount you request minus the amount eligible for surrender without penalty  
 $a$  = full surrender penalty per 1,000 of face amount  
 (see Table of Surrender Penalties)

The proportionate full surrender penalty =

$$X \text{ times } \frac{a}{1000}$$

In any policy year, the maximum amount that you may request and receive by Partial Surrender is:

- 1) the accumulation value,
- minus 2) any indebtedness,
- minus 3) the sum of 3 monthly deductions,
- minus 4) the greater of \$25 or the full surrender penalty.

If you ask for an amount larger than the maximum described above, we will treat it as a request for a full surrender of the policy.

**Surrender-Penalty-Free Withdrawal** -- At any time after the first policy year you may make a withdrawal without incurring a partial surrender penalty, within the limits outlined below.

The minimum amount of a Surrender Penalty-Free Withdrawal is \$100.

When you request a partial surrender in the second or later policy year we will calculate the amount eligible for surrender without penalty. This amount will be the lesser of:

- (a) 10% of the policy's current accumulation value, minus the sum of all Surrender-Penalty-free Withdrawals since the last policy anniversary; or
- (b) the maximum amount available as a partial surrender described on page 10.

During the first ten policy years the sum of all Surrender-Penalty-Free Withdrawals and Partial Surrenders may not exceed the sum of all premiums paid less the sum of all required premiums since the policy date. (See Payment of Premiums Provision Number 2 on page 6.)

We will process a Surrender-Penalty-Free Withdrawal for the eligible amount. The remainder of any amount you request will be processed as a partial surrender.

We will deduct the withdrawal amount you request from the policy's accumulation value.

**Nonforfeiture Options** -- At the end of the grace period, if there is any remaining net cash value, we will apply the net cash value to one of the Nonforfeiture Options described in this section. The Nonforfeiture Options will be effective no later than 62 days after the date on which the premium was due. You may choose Option 1, Paid-Up Insurance, or Option 2, Extended Term Insurance, or option 3, Full Surrender, any time within the 62 day grace period. If you do not choose an option in writing, Option 1, Paid-Up Insurance, will automatically take effect.

**Option 1. Paid-Up Life** -- You may exchange this policy for a single premium paid up whole life policy. These conditions will apply:

- (a) The policy must be in force when you request the change.
- (b) You will surrender all rights under this policy in exchange for the paid-up policy.
- (c) We will calculate the face amount of the paid-up policy in this way: the net cash value divided by the net single premium at the Insured's attained age equals the paid-up face amount.

**Evidence of Insurability** -- When you request this option, we will calculate the difference between the amount of paid-up insurance and the total net single premium. We will compare that amount to the difference between the death benefit and the accumulation value under this policy on the date you choose this option. If the difference between the amount of paid-up insurance and the total net single premium is greater than the difference between the death benefit and the accumulation value, the Insured must give us satisfactory evidence of insurability. We calculate the total net single premium by taking the face amount of the paid-up policy and multiplying it by the net single premium per thousand.

If the Insured does not send us satisfactory evidence of insurability, we will reduce the amount of paid-up insurance accordingly. If there is any net cash value left over after you purchase the paid-up insurance, we will refund it to you.

- (d) We will issue and date the paid-up policy as of the date you surrender this policy.
- (e) The premiums we use for the single premium paid-up insurance will be those in effect as of the date you request the change. They will never be greater than the rates shown in the Table of Maximum Net Single Premiums for Paid-Up Insurance on page 17.
- (f) There is a Table of Paid-Up Insurance per Thousand of Net Cash Value on page 16.
- (g) The paid-up insurance will have cash values. If you surrender any paid-up insurance within 30 days of a policy anniversary, the cash value of the insurance will not be less than the cash value on that anniversary.

**Option 2. Extended Term Insurance** -- If the class of risk shown on page 2 of the Policy Data does not show Preferred Rated or Standard Rated, you may continue this policy as nonparticipating extended term insurance. These conditions will apply:

- (a) The policy must be in force when you request the change.
- (b) You will surrender all rights under this policy in exchange for the extended term policy.
- (c) We will calculate the face amount of the extended term policy in this way: this policy's face amount less any indebtedness as of the date of your request equals the extended term face amount.

## PAYMENT OF CASH VALUE AND LOANS

## GENERAL PROVISIONS

We may delay paying you the partial or full surrender values of this policy for up to six months after we receive your written request for the surrender. We may delay making a loan to you for up to six months after we receive your written request for the loan. We will not delay any loan made to pay premiums due us on any policy.

## POLICY STATEMENTS AND ILLUSTRATIONS

At least once a year, we will send you a statement showing the face amount, accumulation value, cash value, loans, partial surrenders, Surrender-Penalty-Free Withdrawals, Premium Qualification Credits, premiums paid and charges as of the statement date. We will provide you with an illustration of benefits and values at any time if you request it in writing. The first illustration you request each policy year is at no charge to you. We reserve the right to charge you a \$25.00 administrative fee for each subsequent illustration.

## BASIS OF COMPUTATION

The cash values of the policy are not less than the minimum values required by the State in which this policy is delivered. The cash values are based on the guaranteed monthly deduction rates and the guaranteed interest rate. (See the Guaranteed Values section.)

Cash values will always meet or exceed minimum values on the statutory nonforfeiture basis. The basis for the extended term values is the Commissioners 1980 Extended Term Mortality Tables for males and females, age nearest birthday and 5% interest. The basis for all other values is the Commissioners 1980 Standard Ordinary Smoker or Nonsmoker Ultimate Mortality Tables for males or females, age nearest birthday and 5% interest. Deaths are assumed to occur at the end of the policy year.

As required, we have filed the method we used to compute minimum cash values and nonforfeiture benefits with the Supervisory Official of the State in which this policy is delivered.

**Incontestability of the Policy --** Except for fraud or nonpayment of premiums, this policy will be incontestable after it has been in force during the Insured's lifetime for two years from the date of issue. This provision does not apply to any rider providing benefits specifically for disability or death by accident.

**Amount We Pay Is Limited in the Event of Suicide --** If the Insured dies by suicide, while sane or insane, within two years from the date of issue, we will be liable only for the amount of premiums paid, less any partial surrenders, Surrender-Penalty-Free Withdrawals, and loans.

**Misstatement of Age or Sex in the Application --** If there is a misstatement of the Insured's age or sex in the policy, we will adjust the excess of the death benefit over the accumulation value to that which would be purchased by the most recent monthly deduction at the correct age or sex.

**The Policy Is Our Contract with You --** We have issued this policy in consideration of the application and premium payments. A copy of the application is attached to and is a part of this policy. The policy, including the application, forms our entire contract with you. All statements made by or for the Insured will be considered representations and not warranties. We will not use any statement made by or for the Insured to deny a claim unless the statement is in the application and the application is attached to this policy when we issue it.

**Who Can Make Changes in the Policy --** Only our President or a Vice President together with our Corporate Secretary have the authority to make any change in this policy. Any change must be in writing.

**Termination of Insurance --** This policy will terminate at the earliest of:

1. the date of surrender;
2. the policy anniversary nearest the Insured's age 95; or
3. the date of lapse.

**No Dividends are Payable --** This is nonparticipating insurance. It does not participate in our profits or surplus. We do not distribute past surplus or recover past losses by changing the monthly deduction rates.



## SETTLEMENT PROVISIONS

When the Insured dies, we will pay the death benefit in a lump sum unless you or the beneficiary choose a settlement option. You may choose a settlement option while the Insured is living. The beneficiary may choose a settlement option after the Insured has died. The beneficiary's right to choose will be subject to any settlement agreement in effect at the Insured's death.

You may also choose one of these options as a method of receiving the surrender or maturity proceeds, if any, are available under this policy.

When we receive a satisfactory written request, we will pay the benefit according to one of these options:

**Option A: Instalments for a Guaranteed Period** -- We will pay equal instalments for a guaranteed period of from one to thirty years. Each instalment will consist of part benefit and part interest. We will pay the instalments monthly, quarterly, semi-annually or annually, as requested. See Table A on page 18.

**Option B: Instalments for Life with a Guaranteed Period** -- We will pay equal monthly instalments as long as the payee is living, but we will not make payments for less than the guaranteed period the payee chooses. The guaranteed period may be either 10 years or 20 years. We will pay the instalments monthly. See Table B on page 18.

**Option C: Benefit Deposited with Interest** -- We will hold the benefit on deposit. It will earn interest at the annual interest rate we are paying as of the date of death, surrender or maturity. We will not pay less than 2 1/2% annual interest. We will pay the earned interest monthly, quarterly, semi-annually or annually, as requested. The payee may withdraw part or all of the benefit and earned interest at any time.

**Option D: Instalments of a Selected Amount** -- We will pay instalments of a selected amount until we have paid the entire benefit and accumulated interest.

**Option E: Annuity** -- We will use the benefit as a single premium to buy an annuity. The annuity may be payable to one or two payees. It may be payable for life with or without a guaranteed period, as requested. The annuity payment will not be less than what our current annuity contracts are then paying.

The payee may arrange any other method of settlement as long as we agree to it. The payee must be an individual receiving payment in his or her own right. There must be at least \$10,000 available for any option and the amount of each instalment to each payee must be at least \$100. If the benefit amount is not enough to meet these requirements, we will pay the benefit in a lump sum.

We will pay the first instalment under any option on the date of death, maturity or surrender, whichever applies. Any unpaid balance we hold under Options A or D will earn interest at the rate we are paying at the time of settlement. We will not pay less than 3% annual interest. Any benefit we hold will be combined with our general assets.

If the payee does not live to receive all guaranteed payments under Options A, B, D or E or any amount deposited under Option C, plus any accumulated interest, we will pay the remaining benefit as scheduled to the payee's estate. The payee may name and change a successor payee for any amount we would otherwise pay the payee's estate.

## TABLE OF PAID-UP INSURANCE PER \$1,000 OF NET CASH VALUE

$$\text{Amount of Paid-Up Insurance} = \left( \frac{\text{Net Cash Value}}{1000} \right) \times \text{Factor for the Insured's Attained Age}$$

Insured's Attained Age	Male	Female	Insured's Attained Age	Male	Female	Insured's Attained Age	Male	Female	Insured's Attained Age	Male	Female
<b>NONSMOKER</b>											
46	4,010.76	4,617.24	60	2,299.07	2,646.63	75	1,501.48	1,626.76	90	1,162.46	1,172.12
48	3,855.96	4,442.87	61	2,223.46	2,553.96	76	1,469.46	1,583.01	91	1,141.62	1,147.69
47	3,707.97	4,275.34	62	2,161.56	2,484.94	77	1,439.50	1,541.98	92	1,117.35	1,120.52
48	3,566.59	4,116.06	63	2,083.34	2,379.94	78	1,411.34	1,503.98	93	1,087.74	1,088.82
49	3,431.36	3,961.50	64	2,018.74	2,299.01	79	1,384.70	1,466.90	94	1,050.01	1,050.01
60	3,302.08	3,814.18	65	1,957.60	2,222.23	80	1,359.38	1,432.36	95	1,000.00	1,000.00
61	3,178.54	3,673.23	66	1,899.85	2,149.39	81	1,335.31	1,399.64			
62	3,060.54	3,538.33	67	1,845.16	2,080.13	82	1,312.48	1,368.76			
63	2,948.03	3,409.13	68	1,793.34	2,014.06	83	1,290.89	1,339.72			
64	2,840.91	3,285.91	69	1,744.17	1,960.69	84	1,270.59	1,312.50			
65	2,738.98	3,167.97	70	1,697.45	1,889.90	85	1,251.51	1,285.96			
66	2,642.01	3,055.12	71	1,653.20	1,831.64	86	1,233.43	1,262.84			
67	2,549.85	2,946.90	72	1,611.97	1,776.01	87	1,216.00	1,239.78			
68	2,462.16	2,843.09	73	1,572.60	1,723.25	88	1,198.79	1,217.38			
69	2,378.58	2,743.04	74	1,535.80	1,673.48	89	1,181.19	1,195.05			
<b>SMOKER</b>											
45	3,211.31	4,016.59	60	1,983.54	2,428.19	75	1,445.33	1,571.62	90	1,158.83	1,170.13
46	3,098.67	3,875.07	61	1,929.80	2,361.67	76	1,392.22	1,534.05	91	1,139.67	1,146.60
47	2,991.24	3,740.56	62	1,878.72	2,277.96	77	1,370.71	1,498.85	92	1,116.54	1,120.04
48	2,888.84	3,611.81	63	1,830.23	2,207.17	78	1,350.52	1,465.68	93	1,087.48	1,088.71
49	2,791.12	3,488.46	64	1,784.41	2,139.87	79	1,331.33	1,434.19	94	1,050.01	1,050.01
50	2,697.90	3,370.19	65	1,741.16	2,075.94	80	1,312.98	1,404.22	95	1,000.00	1,000.00
51	2,608.93	3,257.12	66	1,700.43	2,015.36	81	1,295.36	1,375.67			
52	2,524.24	3,148.62	67	1,661.85	1,957.60	82	1,278.47	1,348.51			
53	2,443.68	3,044.79	68	1,625.28	1,902.38	83	1,262.38	1,322.77			
54	2,367.21	2,945.69	69	1,590.44	1,849.01	84	1,247.14	1,298.47			
55	2,294.79	2,850.88	70	1,557.15	1,797.53	85	1,232.64	1,275.73			
56	2,226.09	2,760.00	71	1,525.46	1,747.71	86	1,218.66	1,253.99			
57	2,160.91	2,672.80	72	1,495.33	1,699.93	87	1,204.78	1,233.20			
58	2,098.91	2,588.87	73	1,466.90	1,654.54	88	1,190.47	1,212.60			
59	2,038.86	2,507.21	74	1,440.24	1,611.74	89	1,175.42	1,191.93			

TABLE OF MAXIMUM NET SINGLE  
PREMIUMS FOR  
PAID-UP INSURANCE PER \$1,000

Insured's Attained Age	Male	Female	Insured's Attained Age	Male	Female	Insured's Attained Age	Male	Female	Insured's Attained Age	Male	Female
<b>NON-SMOKER</b>											
45	248.33	216.68	60	434.96	377.84	75	666.01	614.72	90	860.25	853.16
46	259.34	225.09	61	449.75	391.55	76	680.53	631.71	91	875.95	871.32
47	269.69	233.90	62	464.78	405.69	77	694.69	648.52	92	894.98	892.45
48	280.38	243.01	63	480.00	420.18	78	708.56	665.17	93	919.34	918.43
49	291.43	252.43	64	495.36	434.97	79	722.18	681.71	94	952.38	952.38
50	302.84	262.18	65	510.83	450.00	80	735.63	698.16	95	1,000.00	1,000.00
51	314.61	272.24	66	526.36	465.25	81	748.89	714.47			
52	326.74	282.62	67	541.96	480.74	82	761.92	730.59			
53	339.21	293.33	68	557.62	496.51	83	774.66	746.43			
54	352.00	304.33	69	573.34	512.64	84	787.04	761.91			
55	365.10	315.66	70	589.12	529.13	85	799.04	777.03			
56	378.50	327.32	71	604.89	545.96	86	810.75	791.87			
57	392.18	339.34	72	620.36	563.06	87	822.37	806.60			
58	406.15	351.73	73	635.89	580.30	88	834.18	821.44			
59	420.42	364.56	74	651.13	597.56	89	846.61	836.79			
<b>SMOKER</b>											
45	311.40	249.03	60	504.15	411.83	75	708.55	636.29	90	862.94	854.61
46	322.72	258.06	61	518.19	425.23	76	718.28	651.87	91	877.45	872.15
47	334.31	267.34	62	532.28	438.99	77	729.55	667.18	92	895.63	892.83
48	346.16	276.87	63	546.38	453.07	78	740.46	682.29	93	919.56	918.52
49	358.28	286.66	64	560.41	467.32	79	751.13	697.26	94	952.38	952.38
50	370.66	296.72	65	574.33	481.71	80	761.63	712.14	95	1,000.00	1,000.00
51	383.30	307.02	66	588.09	496.19	81	771.99	726.92			
52	396.16	317.60	67	601.74	510.83	82	782.19	741.56			
53	409.22	328.43	68	615.28	525.66	83	792.16	755.99			
54	422.44	339.48	69	628.76	540.83	84	801.84	770.14			
55	435.77	350.77	70	642.20	556.32	85	811.27	783.87			
56	449.22	362.32	71	655.54	572.18	86	820.58	797.46			
57	462.77	374.14	72	668.75	588.26	87	830.03	810.90			
58	476.44	386.30	73	681.71	604.40	88	840.01	824.68			
59	490.23	398.85	74	694.33	620.45	89	850.76	838.98			



#9786  
TABLE A

## Instalments for Each \$1,000 Payable under Option A

Multiply the Monthly Instalment by 11.83895 for Annual, by 5.96322 for Semi-Annual, or by 2.99263 for Quarterly Instalments.					
Guaranteed Period (Yrs.)	Monthly Instalment	Guaranteed Period (Yrs.)	Monthly Instalment	Guaranteed Period (Yrs.)	Monthly Instalment
1	\$84.47	11	\$8.86	21	\$5.32
2	42.86	12	8.24	22	5.15
3	28.99	13	7.71	23	4.99
4	22.06	14	7.26	24	4.84
5	17.91	15	6.87	25	4.71
6	15.14	16	6.53	26	4.59
7	13.16	17	6.23	27	4.48
8	11.68	18	5.96	28	4.37
9	10.53	19	5.73	29	4.27
10	9.61	20	5.51	30	4.18

TABLE B

## Monthly Instalment for Each \$1,000 Payable under Option B

MALE PAYEE														
Guaranteed Period			Guaranteed Period			Guaranteed Period			Guaranteed Period			Guaranteed Period		
Age	10 Yrs.	20 Yrs.	Age	10 Yrs.	20 Yrs.	Age	10 Yrs.	20 Yrs.	Age	10 Yrs.	20 Yrs.	Age	10 Yrs.	20 Yrs.
11	\$2.90	\$2.89	26	\$3.20	\$3.19	41	\$3.77	\$3.71	56	\$4.92	\$4.59	71	\$7.27	\$5.42
12	2.91	2.91	27	3.22	3.21	42	3.82	3.76	57	5.03	4.66	72	7.48	5.45
13	2.93	2.92	28	3.25	3.24	43	3.88	3.81	58	5.15	4.73	73	7.68	5.46
14	2.94	2.94	29	3.28	3.27	44	3.94	3.86	59	5.27	4.80	74	7.88	5.48
15	2.96	2.96	30	3.31	3.30	45	4.00	3.91	60	5.40	4.87	75	8.08	5.49
16	2.98	2.97	31	3.34	3.33	46	4.07	3.97	61	5.53	4.94	76	8.27	5.50
17	3.00	2.99	32	3.38	3.36	47	4.14	4.02	62	5.68	5.00	77	8.46	5.50
18	3.01	3.01	33	3.41	3.39	48	4.21	4.08	63	5.83	5.07	78	8.63	5.51
19	3.03	3.03	34	3.45	3.43	49	4.28	4.14	64	5.98	5.13	79	8.79	5.51
20	3.05	3.05	35	3.49	3.46	50	4.36	4.20	65	6.15	5.18	80	8.94	5.51
21	3.08	3.07	36	3.53	3.50	51	4.44	4.26	66	6.32	5.24	81	9.07	5.51
22	3.10	3.09	37	3.57	3.54	52	4.53	4.32	67	6.50	5.28	82	9.18	5.51
23	3.12	3.11	38	3.62	3.58	53	4.62	4.39	68	6.68	5.33	83	9.28	5.51
24	3.14	3.14	39	3.67	3.62	54	4.71	4.46	69	6.88	5.36	84	9.36	5.51
25	3.17	3.16	40	3.72	3.67	55	4.81	4.52	70	7.07	5.40	85	9.42	5.51
FEMALE PAYEE														
Guaranteed Period			Guaranteed Period			Guaranteed Period			Guaranteed Period			Guaranteed Period		
Age	10 Yrs.	20 Yrs.	Age	10 Yrs.	20 Yrs.	Age	10 Yrs.	20 Yrs.	Age	10 Yrs.	20 Yrs.	Age	10 Yrs.	20 Yrs.
11	\$2.83	\$2.83	26	\$3.08	\$3.07	41	\$3.54	\$3.52	56	\$4.51	\$4.35	71	\$6.73	\$5.36
12	2.84	2.84	27	3.10	3.10	42	3.59	3.56	57	4.61	4.42	72	6.94	5.40
13	2.86	2.85	28	3.12	3.12	43	3.63	3.60	58	4.71	4.50	73	7.16	5.43
14	2.87	2.87	29	3.15	3.14	44	3.68	3.65	59	4.82	4.57	74	7.38	5.45
15	2.88	2.88	30	3.17	3.17	45	3.73	3.69	60	4.94	4.65	75	7.60	5.47
16	2.90	2.90	31	3.20	3.19	46	3.78	3.74	61	5.06	4.72	76	7.82	5.48
17	2.91	2.91	32	3.23	3.22	47	3.84	3.79	62	5.19	4.80	77	8.04	5.49
18	2.93	2.93	33	3.26	3.25	48	3.90	3.85	63	5.33	4.88	78	8.25	5.50
19	2.95	2.94	34	3.29	3.28	49	3.96	3.90	64	5.47	4.95	79	8.45	5.51
20	2.96	2.96	35	3.32	3.31	50	4.03	3.96	65	5.63	5.02	80	8.64	5.51
21	2.98	2.98	36	3.35	3.34	51	4.10	4.02	66	5.79	5.09	81	8.82	5.51
22	3.00	2.99	37	3.39	3.37	52	4.17	4.08	67	5.96	5.15	82	8.97	5.51
23	3.02	3.01	38	3.42	3.41	53	4.25	4.14	68	6.14	5.21	83	9.11	5.51
24	3.04	3.03	39	3.46	3.44	54	4.33	4.21	69	6.33	5.27	84	9.23	5.51
25	3.06	3.05	40	3.50	3.48	55	4.42	4.28	70	6.53	5.32	85	9.32	5.51

Ages younger than 11 are the same as shown for age 11, and ages older than 85 are the same as shown for age 85.

**AUTOMATIC PREMIUM LOAN ENDORSEMENT**  
(for policies containing a Required Annual Premium)

Transamerica Occidental Life Insurance Company has issued this endorsement as a part of the policy to which it is attached.

When the Automatic Premium Loan provision is made effective by the owner in the application at the time of issue, any portion of the required annual premium which remains unpaid at the end of a grace period will be paid by automatic premium loan. These rules will apply:

- (1) We will process an automatic premium loan if there is enough net cash value to pay both the required annual premium due and interest due on the automatic premium loan. If there is not enough net cash value to pay both the required annual premium due and the interest on the automatic premium loan, we will not make an automatic premium loan. The

policy will then lapse subject to the nonforfeiture provision.

- (2) The Automatic Premium Loan will also be subject to all sections of this policy that pertain to policy loans.

- (3) If the Automatic Premium Loan provision is made ineffective by the owner in the application at the time of issue, this provision may be requested by the owner. The request must be in the form of a written notice filed at our Home Office. This provision may also be cancelled by written notice by the owner filed in our Home Office.

The Automatic Premium Loan Provision will terminate at the end of the required annual premium period.

Signed for the Company at Los Angeles, California, on the date of issue of this policy.



EXECUTIVE VICE PRESIDENT, GENERAL COUNSEL  
AND CORPORATE SECRETARY



PRESIDENT

**DESIGNATED SURRENDER-PENALTY-FREE WITHDRAWAL  
ENDORSEMENT**

Transamerica Occidental Life Insurance Company has issued this endorsement as part of the policy to which it is attached. You do not pay any premium for this endorsement.

Wherever the term "Surrender-Penalty-Free Withdrawal" appears in the policy to which this endorsement is attached, it is also meant to include the term "Designated Surrender-Penalty-Free Withdrawal". The only exception is in the section of the policy titled "Surrender-Penalty-Free Withdrawal", "(a)". That calculation of the eligible amount for surrender without penalty will NOT include "Designated Surrender-Penalty-Free Withdrawals."

This Designated Surrender-Penalty-Free Withdrawal is available in addition to the Surrender-Penalty-Free Withdrawal in the policy to which this endorsement is attached. If the Designated Surrender-Penalty-Free Withdrawal and the Surrender-Penalty-Free Withdrawal are requested simultaneously, the Designated Surrender-Penalty-Free Withdrawal will be processed first. Then, the Surrender-Penalty-Free Withdrawal will be processed based on the remaining accumulation value.

At any time after the first policy year, you may make a Designated Surrender-Penalty-Free Withdrawal without incurring a partial surrender penalty, within the limits outlined below.

Your Designated Surrender-Penalty-Free Withdrawal requests will only be available if you request such check be made payable to:

- (a) an accredited U.S. college or U.S. university;
- (b) a charitable organization registered as such with the Internal Revenue Service; or
- (c) Transamerica Occidental Life Insurance Company, for payment of a premium on a long term care product which is either in force or which we are offering for sale at the time the Withdrawal is selected.

If you request a check for either (a) or (b), we will process the Designated Surrender-Penalty-Free Withdrawal when you submit to us the following: A copy of the letter from the Internal Revenue Service according the charitable organization or educational institution tax-exempt status under Section 501(c)(3) of the Internal Revenue Code.

The minimum amount of a Designated Surrender-Penalty-Free Withdrawal is \$100.

When you request a Designated Surrender-Penalty-Free Withdrawal, we will calculate the amount eligible for surrender without a Company imposed penalty, as follows:

10% of the policy's current accumulation value as of the request date, minus the sum of all Designated Surrender-Penalty-Free Withdrawals since the last policy anniversary.

The total amount available under a combination of all types of Surrender-Penalty-Free Withdrawals and Partial Surrenders shall not exceed the following:

Current accumulation value as of the request date  
minus 1) any indebtedness,  
minus 2) the sum of three monthly deductions,  
minus 3) the maximum of \$25 or the full surrender penalty.

During the first ten policy years, the total amount available under a combination of all types of Surrender-Penalty-Free Withdrawals and Partial surrenders also may not exceed:

Sum of all premiums paid  
minus 1) the sum of all required premiums since the policy date.

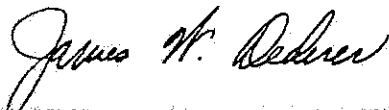
(See Payment of Premium Provision, Number 2 in the policy.)

We will process a Designated Surrender-Penalty-Free Withdrawal for the eligible amount. The remainder, if any, of the amount you request will be processed first as a Surrender-Penalty-Free Withdrawal as described in the policy. If there is any remainder in excess of that amount, we will process it as a partial surrender.

The monthly deductions for the remainder of the policy year will be recalculated based on the difference between the new death benefit and the new accumulation value resulting from all types of Surrender-Penalty-Free Withdrawals and/or Partial Surrenders, as of the request date.

We will deduct the withdrawal amount you request from the policy's accumulation value.

Signed for the Company at Los Angeles, California on the date of issue of this policy.



EXECUTIVE VICE PRESIDENT, GENERAL COUNSEL  
AND CORPORATE SECRETARY



PRESIDENT

Transamerica Occidental  
Life Insurance Company  
Home Office: Los Angeles, CA

Policy Form SRUL-PC  
Individual Life Insurance

Life Insurance  
Minimum Premium Requirement  
for the First Ten Policy Years  
Flexible Premiums Payable Thereafter  
During Life of the Insured to Age 95  
Subject to the Limitations Described  
in the Premiums Provision

Death Benefit Payable at Death of  
Insured Before Age 95  
Net Cash Value Payable at  
Insured's Age 95

Nonparticipating - No Annual Dividends

**NOTICE TO POLICYHOLDERS**

As our policyholder, your satisfaction is very important to us. Should you have any questions or problems with your policy or a claim, you may contact your agent or our Home Office at 1-800-852-4678, or write to:

Transamerica Life Companies  
Box 2101  
Los Angeles, CA 90051-0101

If you feel you were unable to resolve your complaint with your agent or the Company, you may contact the State agency listed below to assist you in resolving your complaint.

**Until July 1, 1991**

California Department of Insurance  
Consumer Services Division  
3450 Wilshire Blvd.  
Los Angeles, CA 90010

**Toll-free Telephone Number: 1-800-927-4357**

**After July 1, 1991**

California Department of Insurance  
Consumer Services Division  
300 South Spring Street  
Los Angeles, CA 90013

**Toll-free Telephone Number: 1-800-927-4357**





# TRANSAMERICA LIFE INSURANCE COMPANY

## TRANSULTRA (SM) LIFE

POLICY NUMBER: 92448993

ISSUED MAY 12, 1993

INSURED: DONNA M WHITE

FEMALE ISSUE AGE: 60 PREFERRED NON-SMOKER

FACE AMOUNT: \$ 100,000

PREMIUMS PAYABLE: ANNUALLY

PREMIUM PAID TO DATE: \$ 25,439.00

ACCUM VALUE BALANCE AS OF MAY 13, 2016: \$1,963.38

<> ACCUM VALUE BALANCE PROJECTED TO: MAY  
12, 2017 IS \$0.74

RATING BASIS - NONE

CURRENT WEIGHTED INTEREST RATE: 5.00%

RIDER(S)-SEE EXPLANATORY NOTES

POLICY WILL LAPSE BEFORE MAY 12, 2017 UNLESS ADDITIONAL PREMIUMS ARE PAID.

END OF POLICY YR AGE	NON GUAR. INTRL RATE	ANNUALIZED PREMIUM OUTLAY AND/OR WITHDRAWAL	PROJECTED VALUES AT GUARANTEED INTEREST RATES AND GUARANTEED MONTHLY DEDUCTIONS			NON-GUARANTEED PROJECTED VALUES AT ILLUSTRATED INTEREST RATES AND MONTHLY DEDUCTIONS		
			CASH VALUE	ACCUM VALUE	DEATH BENEFIT	CASH VALUE	ACCUM VALUE	DEATH BENEFIT
25 85	5.00	3,564	0	0	0	739	739	100,000
26 86	5.00	3,564	0	0	0	1,421	1,421	100,000
27 87	5.00	3,564	0	0	0	2,042	2,042	100,000
28 88	5.00	3,564	0	0	0	2,598	2,598	100,000
29 89	5.00	3,564	0	0	0	3,085	3,085	100,000
30 90	5.00	3,564	0	0	0	3,500	3,500	100,000
31 91	5.00	3,564	0	0	0	3,837	3,837	100,000
32 92	5.00	3,564	0	0	0	3,703	3,703	100,000
33 93	5.00	3,564	0	0	0	3,058	3,058	100,000
34 94	5.00	3,564	0	0	0	1,850	1,850	100,000
35 95	5.00	3,564	0	0	0	10	10	100,000

THIS ILLUSTRATION ASSUMES THAT THE DEFINITIONAL REQUIREMENTS FOR A LIFE INSURANCE CONTRACT UNDER U.S. IRC SECTION 7702  
HAVE BEEN SATISFIED BY COMPLYING WITH THE COMBINED PREMIUM AND CASH VALUE CORRIDOR TEST.

<> Accumulation value projected to MAY 12, 2017 assumes that the policyowner will pay premiums totaling \$590.00 in addition to the "Premiums Paid to Date" shown above.  
This projected value is based on the lesser of (1) the current weighted interest rate or (2) the current rate for new premiums as described in the attached "Explanatory Notes for  
TRANSULTRA (SM) LIFE". It is not guaranteed.

IF YOU HAVE MADE A RECENT PAYMENT, LOAN OR WITHDRAWAL, IT MAY NOT BE REFLECTED ON THIS ILLUSTRATION.

PLEASE REFER TO THE ATTACHED EXPLANATORY NOTES.

THIS ILLUSTRATION IS NOT COMPLETE UNLESS ALL NUMBERED PAGES ARE INCLUDED

This is an illustration, not a contract. Presented by Transamerica on MAY 13, 2016, CA Kind Code: 1837 Page 1 of 4



EXPLANATORY NOTES FOR TRANSULTRA (SM) LIFE  
THIS ILLUSTRATION IS PREPARED FOR DONNA M WHITE  
TRANSULTRA (SM) LIFE POLICY #92448893

Schedule of Benefits and Riders attached to the Policy Insuring DONNA M WHITE

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**Supplemental Retirement Income Option (SRIO)**

This option is available after the later of the tenth policy anniversary or the anniversary nearest age 65. It permits you to purchase a Transamerica Occidental Life annuity with a life contingency using funds obtained by surrendering up to 50% of your policy. The company will add a contribution equal to a portion of the monthly deductions charged in the first ten years. Since this amount is based on the assumptions in this illustration, it is not guaranteed. Please see your contract for details. This option is not available on contracts signed in Pennsylvania.

PLEASE REFER TO THE ATTACHED EXPLANATORY NOTES.

THIS ILLUSTRATION IS NOT COMPLETE UNLESS ALL NUMBERED PAGES ARE INCLUDED

This is an illustration, not a contract. Presented by Transamerica on MAY 13, 2016, CA Kind Code: 1837 Page 2 of 4

**TRANSAMERICA LIFE INSURANCE COMPANY**

## EXPLANATORY NOTES FOR TRANSULTRA (SM) LIFE

THIS ILLUSTRATION IS PREPARED FOR DONNA M WHITE  
TRANSULTRA (SM) LIFE POLICY #92448993

**Overview**

The life insurance policy illustrated on the previous page(s) is a flexible premium, adjustable life insurance policy, which is commonly called Universal Life. Premium payments may be made at any time for the life of the policy subject to the minimum and maximum premium requirements as explained in the policy. Higher payments will assure that coverage will continue for a longer period than lower payments.

This illustration shows future policy values and length of coverage based on current assumptions and contractual guarantees regarding the interest rate credited, policy charges deducted and premiums you plan to pay in the future. In each example, the interest rate used is shown. The length of coverage and the values which would be provided by the planned premium payments are also shown. Premiums are assumed to be received on the first day of any payment period. Payment of premiums of a different amount or made at a different time will affect actual future policy values and benefits.

CHANGES TO THE CURRENT INTEREST RATE OR POLICY CHARGES MAY RESULT IN ADDITIONAL PREMIUM PAYMENTS BEING REQUIRED TO KEEP THE POLICY IN FORCE.

Future policy values and benefits are calculated using your age, gender, and the underwriting class or rating shown in your policy contract to determine the policy charges deducted. Only the values and benefits in the columns labeled Projected Values at Guaranteed Interest Rate, Guaranteed Monthly Deductions represent amounts actually guaranteed under the policy for the premiums shown. The columns on the right hand side of the ledger show future policy values, benefits, interest rates and charges which are not guaranteed and are subject to change. The columns labeled Non-Guaranteed Projected Values at Illustrated Interest Rates and Monthly Deductions assume, for all years shown, interest rates that are equal to or more conservative than what the company is currently crediting, and monthly deductions which are equal to what the company is currently charging. This illustration is intended to assist you in understanding how the policy works, not to predict actual future performance. Actual results are likely to be different from and may be more or less favorable than those shown in this illustration.

**Annualized Premium  
Outlay and/or  
Withdrawals**

Amounts in this column will be either premiums or withdrawals (shown with a minus (-) sign). Annualized premiums are the sum of the periodic payments you plan to make each year.

Withdrawals (-) are the amounts taken from the policy's cash value and payable to you. Applicable surrender charges have been deducted from the policy's values. Certain types of withdrawals may be subject to tax. You should consult your tax advisor as to the taxability of any planned withdrawal and the current status of tax laws which are subject to change.

**Current Weighted  
Interest Rate**

The current weighted interest rate is used to project the current unloaned cash values to the next policy anniversary. This rate is the average interest rate currently being earned by the various unloaned portions of your accumulation value as shown in the table of accumulation values in your annual statement. It is not a guaranteed rate.

**Non-Guaranteed  
Projected Values at  
Illustrated Interest Rates  
and Monthly Deductions**

The non-guaranteed values are based on the non-guaranteed interest rate. In the first three years illustrated, this is the lesser of (1) the current weighted interest rate and (2) the current rate for new premiums. Thereafter, the values in these columns assume that the non-guaranteed illustrated monthly deductions and other policy charges remain in effect for the duration of the policy. These values are not guaranteed.

This illustration shows non-guaranteed values based on the illustrated premiums and/or withdrawals, the interest rates shown in the "Non-Guar. Intr. Rate" column for the duration of the policy, and the current Monthly Deduction rates and other policy charges. The interest rate currently being credited for this product is 5.00%. It is subject to change at any time. The Company may declare a higher or lower rate, but it will never be less than the guaranteed rate of 4.0% in any one year. Monthly Deduction rates and other policy charges are subject to change, but can never exceed the maximums guaranteed in the contract.

**Projected Values at  
Guaranteed Interest  
Rate, Guaranteed  
Monthly Deduction**

The values shown here are calculated using the illustrated premiums and/or withdrawals, the guaranteed maximum monthly deductions and the guaranteed cumulative interest rate of 5.00% for the duration of the policy. The accumulation value on any policy anniversary will be at least equal to what it would have been if the credited interest rate had always been 5.00 percent. The Company could declare an interest rate as low as 4.00% in any year as long as the accumulation value does not go below the guaranteed minimum on a cumulative basis.

**Cash Value Column**

The cash value is the accumulation value less applicable surrender penalties and any outstanding loan balance. It is the amount you would receive if you were to surrender the policy as of the policy year-end shown.

**Accumulation Value  
Column**

The accumulation value equals the sum of the premiums paid less expense charges, monthly deductions, and any withdrawals, plus interest accumulated at the non-guaranteed rate(s). It is illustrated here net of any loans.

PLEASE REFER TO THE ATTACHED EXPLANATORY NOTES.

THIS ILLUSTRATION IS NOT COMPLETE UNLESS ALL NUMBERED PAGES ARE INCLUDED

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# TRANSAMERICA LIFE INSURANCE COMPANY

## EXPLANATORY NOTES FOR TRANSULTRA (SM) LIFE

THIS ILLUSTRATION IS PREPARED FOR DONNA M WHITE  
TRANSULTRA (SM) LIFE POLICY #92448893

### Death Benefit

The death benefit may differ from the face amount for one or more of the following reasons:

1. If your policy is the Return of Accumulation Value ("Plus") version, the death benefit is the face amount plus the accumulation value.
2. The death benefit is designed to exceed the accumulation value by a specified amount to qualify as life insurance under IRC Section 7702.
3. The death benefit is always reduced by any outstanding loan balance.

### Special Policy Features

Both the non-guaranteed and guaranteed values reflect only the illustrated activities (such as premiums, withdrawals, loans, and changes to the face amount and death benefit). If you change the amount or timing of any of these activities, the values in your policy will change accordingly. Details may be found in your policy.

If you have any questions regarding this illustration, please contact your Transamerica Servicing Representative, GREENUP, DOUGLAS W, either directly or through the Transamerica servicing agency: DOUGLAS W GREENUP, 30057 MATISSE DR, RANCHO PALOS VERDES, Ca 90275-57, (310) 375-3248.

PLEASE REFER TO THE ATTACHED EXPLANATORY NOTES.

THIS ILLUSTRATION IS NOT COMPLETE UNLESS ALL NUMBERED PAGES ARE INCLUDED

This is an illustration, not a contract. Presented by Transamerica on MAY 13, 2016, CA Kind Code: 1837 Page 4 of 4



**Transamerica  
Occidental Life**

Transamerica Occidental  
Life Insurance Company  
Home Office: Los Angeles, CA

**POLICY FORM PPL**  
Individual Life Insurance

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INSURED      JERRY DEE NELSON      92451779      POLICY NUMBER

FACE AMOUNT      \$100,000      DEC 19 1981      DATE OF ISSUE

---

While this policy is in force, Transamerica Occidental Life Insurance Company will pay the death benefit to the beneficiary if the Insured dies before the policy anniversary nearest the Insured's age 100, or will pay the net cash value to the owner on the policy anniversary nearest the Insured's age 100 if the Insured is living on that date. All payments are subject to the provisions of this policy.

Signed for the Company at Los Angeles, California, on the date of issue.

EXECUTIVE VICE PRESIDENT, GENERAL COUNSEL  
AND CORPORATE SECRETARY

PRESIDENT

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Right to Examine and Return Policy Within 60 Days -- At any time within 60 days after you receive this policy, you may return it to us or the agent through whom you bought it. We will cancel this policy conversion and your original policy will be reinstated.

Flexible Premium Life Insurance  
Minimum Premium Requirement  
First 10 Policy Years  
Thereafter Flexible Premiums  
Payable During Life of Insured  
To Age 100, Subject to Limitations  
Described in the Premiums Provision

Death Benefit Payable at Death of  
Insured Before Age 100  
Net Cash Value Payable at  
Insured's Age 100

Nonparticipating - No Annual Dividends

This policy is a legal contract between you, the Owner of this policy, and Transamerica Occidental Life Insurance Company.

**READ YOUR POLICY CAREFULLY**

**POLICY SUMMARY**

We will pay the death benefit to the beneficiary if the insured dies before the policy anniversary nearest age 100.

You must pay at least the minimum premium per year during the first 10 policy years, or your policy will lapse. After that, you may vary the amount of premiums and how often you pay them, within certain limits, as described in the Premiums provision. Generally, you may pay premiums as long as the insured is living. If the insured is living at the policy anniversary nearest age 100, we will pay the net cash value to you.

Additional benefits, if any, are provided by rider.

This is only a brief description. The insurance is fully described in the various provisions of the policy.

**GUIDE TO POLICY PROVISIONS**

	Page		Page
Accumulation Values	8	Option to Decrease the Face Amount	12
Alternative-Paid-Up Life	17	Ownership and Beneficiary Provisions	3,4
Application Copy	after 20	Payment of Cash Values and Loans	18
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Death Benefit	4	Premiums	7
Definitions	3	Reinstatement of Lapsed Policy	8
Guaranteed Values	8	Riders	after 20
Grace Period	7	Surrender Option	13
Misstatement of Age	18	Table of Guaranteed Monthly Deduction Rates	2A
Nonforfeiture Options	13	Table of Surrender Penalties	15,16



LOAN INTEREST RATE 7.40% IN ADVANCE JUL 09 1993 POLICY DATE  
REINSTATEMENT INTEREST RATE 6.00% 42 AGE OF INSURED  
INSURED JERRY DEE NELSON 92451779 POLICY NUMBER  
FACE AMOUNT \$100,000 DEC 19 1981 DATE OF ISSUE  
DEATH BENEFIT OPTION OPTION I *DOUNA WHITE* STANDARD CLASS OF RISK  
OWNER THE INSURED ? NON-SMOKER

THE CHARGE FOR ANY ADDITIONAL BENEFITS WHICH ARE PROVIDED BY RIDER IS SHOWN BELOW. ONLY A BRIEF DESCRIPTION IS GIVEN. THE COMPLETE PROVISIONS ARE INCLUDED IN THE RIDER.

RIDER NUMBER	SCHEDULE OF ADDITIONAL BENEFITS	ANNUAL PREMIUM
NONE		NO CHARGE

MINIMUM INITIAL PREMIUM: \$517.00  
PLANNED PERIODIC PREMIUMS: \$517.00 ANNUAL  
REQUIRED PREMIUM PER YEAR IN POLICY YEARS 1-10: \$517.00

NOTE: THIS POLICY MAY TERMINATE PRIOR TO THE INSURED'S AGE 100 IF:  
(1) THE ACCUMULATION VALUE MINUS ANY LOAN IS LESS THAN THE MONTHLY DEDUCTION DUE, OR  
(2) THE REQUIRED PREMIUMS IN THE FIRST 10 YEARS ARE NOT PAID.

TABLE OF GUARANTEED MONTHLY DEDUCTION RATES PER \$1,000 \*

POLICY YEAR BEGINNING	POLICY EXCLUDING RIDERS	POLICY YEAR BEGINNING	POLICY EXCLUDING RIDERS
JUL 09 1993	\$0.18	JUL 09 2022	\$3.60
JUL 09 1994	0.19	JUL 09 2023	3.97
JUL 09 1995	0.21	JUL 09 2024	4.38
JUL 09 1996	0.22	JUL 09 2025	4.84
JUL 09 1997	0.23	JUL 09 2026	5.34
JUL 09 1998	0.24	JUL 09 2027	5.87
JUL 09 1999	0.25	JUL 09 2028	6.42
JUL 09 2000	0.27	JUL 09 2029	6.99
JUL 09 2001	0.30	JUL 09 2030	7.58
JUL 09 2002	0.32	JUL 09 2031	8.23
JUL 09 2003	0.66	JUL 09 2032	8.95
JUL 09 2004	0.72	JUL 09 2033	9.77
JUL 09 2005	0.79	JUL 09 2034	10.68
JUL 09 2006	0.87	JUL 09 2035	11.68
JUL 09 2007	0.95	JUL 09 2036	12.74
JUL 09 2008	1.04	JUL 09 2037	13.84
JUL 09 2009	1.13	JUL 09 2038	14.96
JUL 09 2010	1.23	JUL 09 2039	16.10
JUL 09 2011	1.34	JUL 09 2040	17.27
JUL 09 2012	1.46	JUL 09 2041	18.48
JUL 09 2013	1.59	JUL 09 2042	19.74
JUL 09 2014	1.75	JUL 09 2043	21.12
JUL 09 2015	1.92	JUL 09 2044	22.67
JUL 09 2016	2.11	JUL 09 2045	24.65
JUL 09 2017	2.32	JUL 09 2046	27.49
JUL 09 2018	2.53	JUL 09 2047	32.04
JUL 09 2019	2.76	JUL 09 2048	40.01
JUL 09 2020	3.01	JUL 09 2049	54.83
JUL 09 2021	3.29	JUL 09 2050	83.33

\* TO FIND THE AMOUNT OF MONTHLY DEDUCTION DURING EACH POLICY YEAR, SEE THE GUARANTEED VALUES SECTION. A POLICY FEE OF \$4.00 WILL BE ADDED INTO EACH MONTHLY DEDUCTION.

TABLE OF POLICY VALUES AND BENEFITS

ILLUSTRATIVE PREMIUMS (1)  
GUARANTEED BASIS (2)

END OF POLICY YEAR	PLANNED ANNUALIZED PREMIUM	DEATH BENEFIT	ACCUMULATION VALUE(3)	CASH VALUE (4)
1	\$517.00	\$100,000	\$255	\$0
2	517.00	100,000	513	0
3	517.00	100,000	762	0
4	517.00	100,000	1,012	0
5	517.00	100,000	1,265	0
6	517.00	100,000	1,520	0
7	517.00	100,000	1,778	0
8	517.00	100,000	2,027	27
9	517.00	100,000	2,254	354
10	517.00	100,000	2,470	670
11	517.00	100,000	2,291	691
12	517.00	100,000	2,029	729
13	517.00	100,000	1,665	565
14	517.00	100,000	1,182	282
15	517.00	100,000	569	0
16	517.00	0	0	0
17	0.00	0	0	0
18	0.00	0	0	0
19	0.00	0	0	0
20	0.00	0	0	0
21	0.00	0	0	0
22	0.00	0	0	0
23	0.00	0	0	0
24	0.00	0	0	0
25	0.00	0	0	0
26	0.00	0	0	0
27	0.00	0	0	0
28	0.00	0	0	0
29	0.00	0	0	0
30	0.00	0	0	0
31	0.00	0	0	0
32	0.00	0	0	0
33	0.00	0	0	0
34	0.00	0	0	0
35	0.00	0	0	0
36	0.00	0	0	0
37	0.00	0	0	0
38	0.00	0	0	0
39	0.00	0	0	0
40	0.00	0	0	0
41	0.00	0	0	0
42	0.00	0	0	0
43	0.00	0	0	0
44	0.00	0	0	0
45	0.00	0	0	0
46	0.00	0	0	0
47	0.00	0	0	0
48	0.00	0	0	0
49	0.00	0	0	0
50	0.00	0	0	0
51	0.00	0	0	0
52	0.00	0	0	0
53	0.00	0	0	0
54	0.00	0	0	0
55	0.00	0	0	0
56	0.00	0	0	0
57	0.00	0	0	0
58	0.00	0	0	0
59	0.00	0	0	0
60	0.00	0	0	0
61	0.00	0	0	0
62	0.00	0	0	0
63	0.00	0	0	0
64	0.00	0	0	0
65	0.00	0	0	0
66	0.00	0	0	0
67	0.00	0	0	0
68	0.00	0	0	0
69	0.00	0	0	0
70	0.00	0	0	0
71	0.00	0	0	0
72	0.00	0	0	0
73	0.00	0	0	0
74	0.00	0	0	0
75	0.00	0	0	0
76	0.00	0	0	0
77	0.00	0	0	0
78	0.00	0	0	0
79	0.00	0	0	0
80	0.00	0	0	0
81	0.00	0	0	0
82	0.00	0	0	0
83	0.00	0	0	0
84	0.00	0	0	0
85	0.00	0	0	0
86	0.00	0	0	0
87	0.00	0	0	0
88	0.00	0	0	0
89	0.00	0	0	0
90	0.00	0	0	0
91	0.00	0	0	0
92	0.00	0	0	0
93	0.00	0	0	0
94	0.00	0	0	0
95	0.00	0	0	0
96	0.00	0	0	0
97	0.00	0	0	0
98	0.00	0	0	0
99	0.00	0	0	0
100	0.00	0	0	0

(1) THE ACCUMULATION AND CASH VALUES RESULT FROM THE INTEREST RATES, MONTHLY DEDUCTIONS, AND THE TIMELY PAYMENT OF THE PLANNED ANNUALIZED PREMIUMS. PARTIAL SURRENDERS, SURRENDER-PENALTY-FREE WITHDRAWALS OR LOANS MAY CHANGE THESE RESULTS. WHILE A POLICY LOAN EXISTS, THE INTEREST RATE APPLICABLE TO THE ACCUMULATION VALUE SECURING THE LOAN MAY DIFFER FROM THE INTEREST RATE APPLICABLE TO THE ACCUMULATION VALUE NOT SECURING THE LOAN.

(2) RESULTS CALCULATED ON A GUARANTEED BASIS REFLECT GUARANTEED MONTHLY DEDUCTIONS AND THE CUMULATIVE GUARANTEED ANNUAL INTEREST RATE OF 5.50%.

(3) ACCUMULATION VALUES ILLUSTRATED ON A GUARANTEED BASIS REFLECT ACCUMULATED NET PREMIUMS PLUS ACCRUED INTEREST AT THE GUARANTEED MINIMUM ANNUAL INTEREST RATE LESS ACCRUED GUARANTEED MAXIMUM MONTHLY DEDUCTIONS WHICH INCLUDE THE POLICY FEE AND THE COST OF ANY RIDERS.

(4) THE DIFFERENCE BETWEEN THE ACCUMULATION VALUE AND THE CASH VALUE IS THE SURRENDER PENALTY.

PREMIUMS ARE SUBJECT TO REFUND UNDER CONDITIONS DESCRIBED IN THE POLICY.

CURRENT ANNUAL INTEREST RATE: 6.50 % AS OF JUL 09, 1993 SUBJECT TO CHANGE.

## DEFINITIONS

In this policy:

We, our or us means Transamerica Occidental Life Insurance Company.

You and your means the Owner of this policy.

Age means the Insured's age on the nearest birthday.

Accumulation Value is the policy's total value as described in the Accumulation Values section.

The Beneficiary is the person to whom we will pay the death benefit if the Insured dies.

Cash Value means the accumulation value as described in the Accumulation Values section, less any surrender penalty.

Lapse means termination of the policy due to insufficient accumulation value.

A Policy Loan is indebtedness to us for a loan secured by this policy.

The Maximum Loan Value is the largest amount you may borrow under the loan provisions.

A Monthly Deduction is an amount we withdraw from the accumulation value at the end of each policy month.

The Monthly Deduction is equal to:

- (a) the monthly deduction rate, times .001, times the difference between the death benefit and the accumulation value at the beginning of the policy year,
- plus (b) the monthly deduction for any riders,
- plus (c) the policy fee as shown in the Policy Data.

The Net Cash Value is the cash value less any loans.

A Net Premium is 96.5% of any premium you pay.

Reinstate means to restore coverage after the policy has lapsed.

A rider is an attachment to the policy that provides an additional benefit.

We will send any notice under the provisions of this policy to your last known address and to any assignee of record.

We will use the Policy Data shown in the Policy Data to determine the monthly dates, policy anniversaries and policy years.

## OWNERSHIP

Owner of the Policy -- Only you, the Owner, are entitled to the rights granted under this policy while the Insured is living. If you are an individual and you die before the Insured, your rights will pass to the executor or administrator of your estate for disposition unless stated otherwise in this policy. If the Owner is a partnership, the rights belong to the partnership as it exists when a right is exercised.

Assignment of the Policy -- We are not responsible for the adequacy of any assignment. However, if you file the assignment with us and we record it at our Home Office, your rights and those of any revocable beneficiary will be subject to it.

## THE BENEFICIARY

**Who Receives the Death Benefit --** When the insured dies, we will pay the death benefit to the beneficiary. The beneficiary is as designated in the application, unless changed as shown under "How to Change a Beneficiary" below. If the beneficiary is a partnership, we will pay the death benefit to the partnership as it existed when the insured died.

**Protection of the Death Benefit --** To the extent permitted by law, no death benefit will be subject to the claims of the beneficiary's creditors or to any legal process against the beneficiary.

**If the Beneficiary Dies --** If any beneficiary dies before the insured, that beneficiary's interest in the death benefit will end. If any beneficiary dies at the same time as the insured, or within 30 days after the insured, that beneficiary's interest in the death benefit will end if no benefits have been paid to that beneficiary. If the interest of all designated beneficiaries has ended when the insured dies, we will pay the death benefit to you. If you are not living at that time, we will pay the death benefit to the executor or administrator of your estate.

**How to Change a Beneficiary --** You may change the designated beneficiary by sending a satisfactory written notice to us. The change will not be effective until we record it at our Home Office. Even if the insured is not living when we record the change, the change will take effect as of the date it was signed. However, any benefits we pay before we record the change will not be subject to the change.

A beneficiary designated irrevocably may not be changed without the written consent of that beneficiary.

## PAYMENT OF THE DEATH BENEFIT

**Proof of Death --** We will pay any benefit payable because of death when we receive acceptable proof of the insured's death. The proof must be sent to us at our Home Office. We will send appropriate forms to the beneficiary upon request. Any of our agents will help the beneficiary fill out the forms without charge. We will send all payments from our Home Office.

**Death Benefit --** The amount of the death benefit may be affected by other policy provisions, such as Policy Loans or Misstatement of Age or Sex.

**Death Benefit Option --** The death benefit will be based on whether you have chosen Option I or Option II, as shown in the Policy Data.

**Option I: The death benefit will be the greater of:**

- (a) the face amount plus the net increase, if any, in the accumulation value from the last policy anniversary to the date of the insured's death; or
- (b) the death benefit factor times the accumulation value as of the date of the insured's death.

**Option II: The death benefit will be the greater of:**

- (a) the face amount plus the accumulation value as of the date of the insured's death; or
- (b) the death benefit factor times the accumulation value as of the date of the insured's death.

In no event will the amount of death benefit be less than the amount needed to continue to qualify the policy as a life insurance contract under Section 7702 of the Internal Revenue Code, as in effect at the time this policy is issued and the regulations thereunder.

We will reduce the death benefit by any policy loans and by the portion of the grace period premium necessary to provide insurance to the date of the insured's death.

The net increase in accumulation value is the sum of all net premiums less any refunds, minus the sum of accrued monthly deductions from the last policy anniversary to the date of death, plus accrued interest from the last policy anniversary to the date of death, minus the pro rata portion of the monthly deduction for the period from the last monthly date to the date of death. (See Accumulation Values in the Guaranteed Values section for details.) Partial Surrender amounts, Partial Surrender penalties, and Surrender-Penalty-Free Withdrawal amounts are not included as part of the net increase in accumulation value for the purpose of calculating the death benefit as of the date of death.



# DEATH BENEFIT FACTORS

Insured's Attained Age	Female Insured Policy Years 1-10	Insured's Attained Age	Female Insured Policy Years 1-10	Insured's Attained Age	Female Insured Policy Years 11 and later	Insured's Attained Age	Female Insured Policy Years 11 and later
20	14.61	50	4.48	30	9.57	65	2.37
21	14.06	51	4.32	31	9.16	66	2.29
22	13.49	52	4.17	32	8.78	67	2.21
23	12.99	53	4.01	33	8.41	68	2.14
24	12.47	54	3.87	34	8.06	69	2.07
25	11.98	55	3.73	35	7.71	70	2.00
26	11.48	56	3.60	36	7.38	71	1.93
27	11.01	57	3.47	37	7.07	72	1.87
28	10.55	58	3.34	38	6.77	73	1.81
29	10.12	59	3.22	39	6.49	74	1.76
30	9.70	60	3.11	40	6.22	75	1.71
31	9.30	61	2.98	41	5.97	76	1.66
32	8.92	62	2.88	42	5.73	77	1.61
33	8.55	63	2.77	43	5.49	78	1.57
34	8.21	64	2.67	44	5.28	79	1.53
35	7.88	65	2.58	45	5.07	80	1.49
36	7.58	66	2.47	46	4.87	81	1.46
37	7.30	67	2.36	47	4.68	82	1.42
38	7.02	68	2.28	48	4.49	83	1.39
39	6.76	69	2.17	49	4.32	84	1.36
40	6.50	70	2.08	50	4.16	85	1.34
41	6.26	71	2.00	51	4.00	86	1.31
42	6.02	72	1.92	52	3.84	87	1.29
43	5.80	73	1.84	53	3.70	88	1.27
44	5.59	74	1.77	54	3.56	89	1.25
45	5.39	75	1.70	55	3.43	90	1.23
46	5.19	76	1.63	56	3.30	91	1.21
47	5.01	77	1.56	57	3.18	92	1.18
48	4.83	78	1.49	58	3.07	93	1.16
49	4.65	79	1.42	59	2.98	94	1.14
50		80	1.34	60	2.85	95	1.12
51		81	1.31	61	2.74	96	1.10
52		82	1.29	62	2.64	97	1.08
53		83	1.27	63	2.55	98	1.06
54		84	1.25	64	2.46	99	1.04
55		85	1.23			100	1.00
56		86	1.21				
57		87	1.18				
58		88	1.16				
59		89	1.14				
60		90	1.12				
61		91	1.10				
62		92	1.08				
63		93	1.06				
64		94	1.04				
		95	1.02				
		96	1.00				
		97	0.98				
		98	0.96				
		99	0.94				
		100	0.92				

DEATH BENEFIT FACTORS

Insured's Attained Age	Male Insured Policy Years 1-10	Insured's Attained Age	Male Insured Policy Years 1-10	Insured's Attained Age	Male Insured Policy Years 11 and later	Insured's Attained Age	Male Insured Policy Years 11 and later
20	11.82	60	3.71	30	7.81	65	2.01
21	11.95	61	3.59	31	7.49	66	1.95
22	10.92	62	3.47	32	7.17	67	1.90
23	10.61	63	3.35	33	6.87	68	1.84
24	10.10	64	3.24	34	6.57	69	1.79
25	9.71	65	3.14	35	6.30	70	1.75
26	9.34	66	3.04	36	6.03	71	1.70
27	8.97	67	2.94	37	5.77	72	1.66
28	8.62	68	2.85	38	5.53	73	1.62
29	8.29	69	2.75	39	5.30	74	1.58
30	7.98	70	2.67	40	5.08	75	1.54
31	7.67	71	2.59	41	4.87	76	1.51
32	7.38	72	2.51	42	4.67	77	1.48
33	7.09	73	2.44	43	4.48	78	1.45
34	6.82	74	2.36	44	4.30	79	1.42
35	6.55	75	2.29	45	4.13	80	1.40
36	6.30	76	2.20	46	3.97	81	1.37
37	6.06	77	2.11	47	3.81	82	1.35
38	5.83	78	2.03	48	3.67	83	1.33
39	5.60	79	1.95	49	3.52	84	1.31
40	5.38	80	1.87	50	3.38	85	1.28
41	5.18	81	1.80	51	3.26	86	1.27
42	4.98	82	1.73	52	3.14	87	1.26
43	4.80	83	1.67	53	3.02	88	1.24
44	4.62	84	1.60	54	2.91	89	1.23
45	4.45	85	1.54	55	2.81	90	1.21
46	4.28	86	1.48	56	2.71	91	1.20
47	4.13	87	1.43	57	2.61	92	1.19
48	3.99	88	1.38	58	2.53	93	1.17
49	3.85	89	1.33	59	2.44	94	1.15
50	3.71	90	1.28	60	2.36	95	1.14
51	3.59	91	1.23	61	2.28	96	1.12
52	3.47	92	1.18	62	2.21	97	1.10
53	3.35	93	1.13	63	2.14	98	1.08
54	3.24	94	1.08	64	2.07	99	1.06
55	3.14	95	1.03	65	2.00	100	1.00

## PREMIUMS

We will accept any amount you send us as a premium payment while this policy is in force, subject to the Premium Limitation provision and these conditions:

1. The minimum initial premium is shown in the Policy Data. It is payable on the Policy Date. You may send subsequent premiums to our Home Office or you may pay them to an agent or cashier we authorize. We will give you a receipt if you ask for one.
2. You must pay the minimum required premium for the first 10 policy years. At the end of each policy year in the required premium period we will calculate the cumulative total of all premiums paid, less any partial surrenders. We will divide this total by the number of years since the policy date. This amount must equal or exceed the required premium per year for each year in the required premium period or your policy will lapse. (See page 2 of the Policy Data.)
3. You may pay premiums at any time, but only if the amount of each premium is at least \$25.

**Premium Limitation.** -- We reserve the right to refund any premium during a particular policy year if the total premium paid:

- (a) increases the difference between the death benefit and the accumulation value, and
- (b) is more than \$20 per thousand of face amount and more than three times the total of the monthly deductions for the last year.

We may refund premiums that fall into this category whether or not they are scheduled payments. We also reserve the right to refund any unscheduled premiums that exceed \$25,000 in any 12-month period.

We will not refund any amount if doing so would cause your policy to lapse before the next anniversary.

If, as of the end of any policy year, the premiums paid exceed the amount allowable if the death benefit is to qualify for the federal income tax exclusion, we will remove the excess amount of premiums paid from the policy, with interest, as of the end of that policy year. We will refund to you this excess amount (including interest) within 60 days after the end of that policy year.

Such an excess amount could occur, for example, as a result of a Partial Surrender or other change in the benefits or terms of the policy, since the premium amount allowable for the policy may be reduced.

The amount refundable will not exceed the net cash value of the policy. If the entire cash value is refunded, we will treat the transaction as a full surrender of your policy.

**Continuation of Insurance** -- Between premium payments we automatically continue your policy at the same face amount and with any additional benefits provided by rider, subject to the Grace Period provision below. Refer to the Monthly Deduction section for further explanation.

**Grace Period** -- A grace period is a period of 31 days after (a) a monthly date when the accumulation value minus any loan is less than the monthly deduction due, or (b) a policy anniversary on which the minimum required premium has not been paid during the required premium period. We will notify you that the grace period has begun and that you must pay a premium large enough to keep the policy in force before the 31 days are up. If you do not pay enough premium, your policy will lapse, subject to the Nonforfeiture Options provision.

During the grace period, we will not charge interest on the premium due. If the insured dies during the grace period and before you pay the premium we will subtract from the death benefit the cost of coverage to the date the insured died.

Since a monthly deduction is made on each monthly date for the prior month, and a nominal 31-day grace period is provided after that monthly date, there will always be at least a 62-day effective grace period for payment of overdue premiums.

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**Reinstatement of Lapsed Policy** -- If this policy lapses, it may be reinstated provided it was not surrendered. To reinstate the policy, you must meet the following conditions:

1. You must request reinstatement in writing within three years after the date of lapse and before the Insured's age 100.
2. The Insured must still be insurable by our standards.
3. If any loans existed when the policy lapsed, you must repay or reinstate them with interest compounded annually from the date of lapse at a variable interest rate.
4. You must repay any net cash value we paid you at the time of purchase of a Paid-Up policy.
5. The reinstated policy will be subject to any minimum premium requirement during the required premium period. (See page 2 of Policy Data and Premiums provision, number 2.) If the policy lapsed during a particular policy year in the required premium period and is reinstated in a different policy year, you must pay a premium large enough to meet the minimum premium requirement at the time of reinstatement, with interest compounded annually at the variable interest rate. If the policy lapsed after the required premium period, or if it lapsed during a particular policy year in the required premium period and is reinstated in the same policy year, you must pay a premium large enough to cover two monthly deductions due when the policy lapsed and three monthly deductions due when the policy is reinstated.

The Accumulation Value of the reinstated policy will be: the net cash value of any Paid-Up policy on the date of reinstatement; plus the surrender penalty at the time of lapse; plus any net cash value we paid you at the time of lapse; plus any loan reinstated; plus 96.5% of any premium you pay at reinstatement; minus any monthly deductions due at the time of lapse.

### GUARANTEED VALUES

**Accumulation Values** -- The accumulation value on any specified date on or before the first policy anniversary is equal to:

1. All net premiums paid less any refunds since issue, plus accrued interest from the date each premium is received in the Home Office to the specified date.

minus 2. All monthly deductions charged since issue, plus accrued interest from each monthly date to the specified date.

minus 3. Any partial surrenders including partial surrender penalties since issue, plus accrued interest from each partial surrender date to the specified date.

minus 4. A prorata portion of the monthly deduction applicable to the period of time from the last monthly date on or before the specified date to the specified date.

The accumulation value on any specified date after the first policy anniversary is equal to:

1. The accumulation value on the last policy anniversary plus accrued interest from the last policy anniversary to the specified date.

plus 2. All net premiums paid less any refunds since the last policy anniversary, plus accrued interest from the date each premium is received in the Home Office to the specified date.

minus 3. All monthly deductions charged since the last policy anniversary, plus accrued interest from each monthly date to the specified date.

minus 4. Any partial surrenders including partial surrender penalties since the last policy anniversary, plus accrued interest from each partial surrender date to the specified date.

minus 5. A prorata portion of the monthly deduction applicable to the period of time from the last monthly date on or before the specified date to the specified date.

A Table of Policy Values is included in this policy. It is based on the information you gave us when the policy was issued. The values shown may change as the declared interest rates, your premium payments, and other factors change from the illustrated data. Every year we will send you a statement of actual policy values.



The numbers in the chart show the portion of each Guaranteed Maximum Monthly Deduction Rate that represents cost of insurance and the portion that represents expenses. All figures in the chart are per thousand dollars of excess of death benefit over accumulation value.

**BREAKDOWN OF GUARANTEED MAXIMUM MONTHLY DEDUCTION RATES  
INTO COST OF INSURANCE AND EXPENSE COMPONENTS  
FOR STANDARD LIVES  
MALE SMOKER**

Attained Age	Monthly Deduction Rate	Cost of Insurance Portion	Expense Portion	Attained Age	Monthly Deduction Rate	Cost of Insurance Portion	Expense Portion
20	0.23	0.15	0.08	60	2.01	1.34	0.67
21	0.23	0.15	0.08	61	2.12	1.46	0.73
22	0.23	0.15	0.08	62	2.38	1.68	0.80
23	0.23	0.15	0.08	63	2.63	1.75	0.88
24	0.22	0.15	0.07	64	2.89	1.92	0.97
25	0.22	0.14	0.08	65	3.17	2.11	1.05
26	0.21	0.14	0.07	66	3.48	2.32	1.16
27	0.21	0.14	0.07	67	3.80	2.53	1.27
28	0.21	0.14	0.07	68	4.14	2.78	1.38
29	0.21	0.14	0.07	69	4.52	3.01	1.51
30	0.21	0.14	0.07	70	4.93	3.29	1.64
31	0.22	0.14	0.08	71	5.41	3.60	1.81
32	0.22	0.15	0.07	72	5.85	3.97	1.98
33	0.23	0.15	0.08	73	6.55	4.38	2.20
34	0.25	0.16	0.09	74	7.27	4.84	2.43
35	0.26	0.17	0.09	75	8.02	5.34	2.68
36	0.28	0.18	0.10	76	8.81	5.87	2.94
37	0.30	0.20	0.10	77	9.64	6.42	3.22
38	0.32	0.21	0.11	78	10.48	6.99	3.49
39	0.34	0.23	0.11	79	11.38	7.58	3.80
40	0.37	0.25	0.12	80	12.35	8.23	4.12
41	0.41	0.27	0.14	81	13.43	8.95	4.48
42	0.44	0.29	0.15	82	14.65	9.77	4.88
43	0.48	0.32	0.16	83	16.03	10.88	5.35
44	0.52	0.34	0.18	84	17.63	11.68	5.85
45	0.56	0.37	0.19	85	19.11	12.74	6.37
46	0.61	0.41	0.20	86	20.78	13.84	6.92
47	0.66	0.44	0.22	87	22.44	14.96	7.48
48	0.71	0.47	0.24	88	24.15	16.10	8.05
49	0.77	0.51	0.26	89	26.91	17.27	8.64
50	0.83	0.55	0.28	90	27.72	18.48	9.24
51	0.91	0.60	0.31	91	29.62	19.74	9.88
52	0.99	0.66	0.33	92	31.68	21.12	10.56
53	1.08	0.72	0.36	93	34.04	22.67	11.34
54	1.19	0.79	0.40	94	36.98	24.65	12.23
55	1.30	0.87	0.43	95	41.24	27.49	13.75
56	1.43	0.95	0.48	96	48.06	32.04	16.02
57	1.66	1.04	0.62	97	60.02	40.01	20.01
58	1.69	1.13	0.56	98	82.24	54.83	27.41
59	1.84	1.23	0.61	99	83.33	83.33	0.00

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The numbers in the chart show the portion of each Guaranteed Maximum Monthly Deduction Rate that represents cost of insurance and the portion that represents expenses. All figures in the chart are per thousand dollars of excess of death benefit over accumulation value.

**BREAKDOWN OF GUARANTEED MAXIMUM MONTHLY DEDUCTION RATES  
INTO COST OF INSURANCE AND EXPENSE COMPONENTS  
FOR STANDARD LIVES**

Table (c) - Breakdown of Guaranteed Maximum Monthly Deduction Rates into Cost of Insurance and Expense Components for Standard Lives - FEMALE SMOKER

Attained Age	Monthly Deduction Rate	Cost of Insurance Portion	Expense Portion	Attained Age	Monthly Deduction Rate	Cost of Insurance Portion	Expense Portion
20	0.13	0.08	0.05	60	1.78	0.78	0.40
21	0.13	0.08	0.05	61	1.26	0.84	0.42
22	0.13	0.09	0.04	62	1.37	0.91	0.46
23	0.13	0.09	0.04	63	1.50	1.00	0.50
24	0.14	0.09	0.05	64	1.85	1.10	0.55
25	0.14	0.09	0.05	65	1.82	1.21	0.61
26	0.14	0.09	0.05	66	2.00	1.33	0.67
27	0.15	0.10	0.05	67	2.17	1.45	0.72
28	0.15	0.10	0.05	68	2.35	1.57	0.78
29	0.15	0.10	0.05	69	2.54	1.69	0.85
30	0.16	0.11	0.05	70	2.76	1.84	0.92
31	0.17	0.11	0.06	71	3.02	2.01	1.01
32	0.18	0.12	0.06	72	3.28	2.23	1.12
33	0.18	0.12	0.06	73	3.70	2.50	1.26
34	0.19	0.13	0.06	74	4.24	2.82	1.42
35	0.20	0.13	0.07	75	4.78	3.18	1.60
36	0.22	0.14	0.08	76	5.37	3.58	1.79
37	0.23	0.15	0.08	77	6.09	4.03	2.00
38	0.25	0.17	0.08	78	6.88	4.45	2.23
39	0.27	0.18	0.09	79	7.47	4.94	2.47
40	0.30	0.20	0.10	80	8.24	5.49	2.75
41	0.33	0.22	0.11	81	9.20	6.13	3.07
42	0.35	0.23	0.12	82	10.30	6.86	3.44
43	0.38	0.25	0.13	83	11.55	7.71	3.85
44	0.41	0.27	0.14	84	12.97	8.66	4.32
45	0.44	0.28	0.15	85	14.51	9.67	4.84
46	0.47	0.31	0.16	86	16.16	10.77	5.39
47	0.50	0.33	0.17	87	17.91	11.94	5.97
48	0.54	0.36	0.18	88	19.77	13.20	6.59
49	0.57	0.38	0.19	89	21.74	14.49	7.25
50	0.62	0.41	0.21	90	23.84	15.89	7.95
51	0.66	0.44	0.22	91	26.10	17.40	8.70
52	0.71	0.47	0.24	92	28.60	19.06	9.64
53	0.76	0.51	0.25	93	31.43	20.95	10.48
54	0.82	0.55	0.27	94	34.91	23.27	11.64
55	0.88	0.59	0.29	95	39.66	26.44	13.22
56	0.94	0.63	0.31	96	46.96	31.31	15.65
57	1.00	0.66	0.34	97	53.37	36.58	18.79
58	1.05	0.70	0.35	98	61.98	44.66	27.33
59	1.11	0.74	0.37	99	83.33	83.33	0



**Guaranteed Interest Rates** -- The net premium accrues simple interest from the date we receive it in the Home Office. Interest is credited annually on each policy anniversary.

We guarantee that your accumulation value on any policy anniversary will be at least equal to what it would have been if the credited interest rate had always been 5.5%. The minimum interest rate we credit at any one time will never be less than 4%.

We may declare a higher interest rate than the guaranteed minimum rate at any time. Each rate we declare replaces the guaranteed minimum rate until we declare a different one.

The interest rate for any portion of the accumulation value equal to the amount of any policy loan will be at the effective annual loan interest rate less 2.5%.

**Monthly Deduction Rates** -- We will determine the monthly deduction rate for each policy year at the beginning of that year. We will use the Insured's age as of that policy year. The guaranteed monthly deduction for nonsmokers is the cost of insurance. The guaranteed monthly deduction for smokers is made up of a cost of insurance portion and an expense portion. The breakdown of the guaranteed monthly deduction for smokers issued at the standard class of risk appears on pages 9 and 10.

A Table of Guaranteed Monthly Deduction Rates is in the Policy Data. We may use rates lower than these guaranteed monthly deduction rates. We will never use higher rates.

**Monthly Deduction** -- At the end of each policy month, we will take the monthly deduction for that month from the accumulation value.

The Monthly Deduction is equal to:

- (a) the monthly deduction rate, times .001, times the difference between the death benefit and the accumulation value at the beginning of the policy year,
- plus (b) the monthly deduction for any riders,
- plus (c) the policy fee as shown in the Policy Data.

## CASH VALUE

You may borrow the cash value, use it to purchase Paid-Up Insurance, or take it as a partial or full surrender of the policy. All of these transactions are described in this section. We guarantee that the cash value always equals or exceeds the amount required by the law in effect at the time of issue in the state in which this policy is delivered.

**Policy Loans** -- We will make a loan subject to the following conditions:

1. The maximum loan amount is the accumulation value as of the date of the loan request, minus:
  - a. any existing loan(s);
  - b. interest on the amount of the loan to the end of the policy year; and
  - c. the full surrender penalty or three monthly deductions, whichever is greater.
2. You must pay interest on the loan at the loan interest rate annually in advance. If you do not pay the interest when it is due, we will add the amount of interest to the loan. We will charge interest on this amount at the same interest rate being charged on the loan.
3. You must assign the policy to us to the extent of the outstanding loan. If the Insured dies, we will deduct the outstanding loan from the death benefit before we pay the death benefit to the beneficiary.
4. The loan will be secured by that portion of the accumulation value equal to the amount of the loan.

**Loan Repayment** -- You may repay any part of a loan at any time while the Insured is living and before the Insured's age 100.

If you wish to make a loan repayment, you must tell us that the payment you send us is for that purpose. Unless your payment is clearly marked as a loan repayment, we will assume it is a premium payment. When we receive a loan repayment we will apply it to the portion of the accumulation value that secures a loan.

Your policy will not lapse if you do not repay a loan. However, the portion of the accumulation value not securing a loan must be large enough to cover the monthly deduction due and any loan interest due not paid in cash. (See Grace Period provision for details.)

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**Partial Surrender** -- You may surrender a portion of this policy for its value if you send us a written request. We will deduct the partial surrender penalty and the surrender amount you request from the policy's accumulation value. If you chose death benefit Option 1, we will also deduct the partial surrender penalty and the amount you request from the policy's face amount. The new face amount may never be less than \$50,000.

The partial surrender penalty is the greater of:

- 1) \$25, or
- 2) the proportionate full surrender penalty.

The proportionate full surrender penalty may be calculated as follows:

Let  $X$  = surrender amount you request  
 $a$  = full surrender penalty per 1,000 of face amount (see Table of Surrender Penalties)

The proportionate full surrender penalty =

$$X \text{ times } \frac{1000 - a}{1000}$$

In any policy year, the maximum amount that you may request and receive by Partial Surrender is:

- 1) the accumulation value,
- minus 2) any indebtedness,
- minus 3) the sum of 3 monthly deductions,
- minus 4) the greater of \$25 or the full surrender penalty.

If you ask for an amount larger than the maximum described above, we will treat it as a request for a full surrender of the policy.

**Surrender-Penalty-Free Withdrawal** -- At any time after the first policy year, you may make a partial withdrawal without incurring a partial surrender penalty, within the limits outlined below.

When you request a partial surrender in the second or later policy year we will calculate the amount eligible for surrender without penalty. This amount will be the lesser of:

- (a) 10% of the policy's accumulation value, minus the sum of all Surrender-Penalty-Free Withdrawals since the last policy anniversary;
- (b) the maximum amount available as a partial surrender described above.

We will process a Surrender-Penalty-Free Withdrawal for the eligible amount. The remainder of any amount you requested we will process as a partial surrender.

We will deduct the withdrawal amount you request from the policy's accumulation value.

**Option to Decrease the Face Amount** -- You may decrease the face amount of this policy if all of these conditions are met:

1. You must request the decrease in writing.
2. This policy must be in force and the insured must be living at the time of request.
3. The decrease requested cannot be less than \$25,000.
4. The new face amount cannot be less than \$50,000.
5. A decrease of the face amount may cause the monthly deduction rates to increase.

6. During the surrender penalty period any decrease to the face amount will cause a pro rata surrender penalty.

However, we will not charge you a surrender penalty on decreases which total up through 50% of the original policy face amount if:

- A. the original policy was issued before you were age 60 and you are now age 65 or
- B. you were between age 60 and 65 when the original policy was issued and that policy has reached the 5th policy anniversary.

The waiver of surrender penalty will only be allowed once during the life of the insured. You have one policy year to exercise this option following the policy anniversary of either one of the above stated time periods.

If you request a decrease which totals more than 50% of the original policy face amount, you will be charged a surrender penalty only on that decrease above the 50%.

**Nonforfeiture Options** -- You may continue or surrender the policy under one of the following options:

**Option 1. Paid-Up Life** -- You may exchange this policy for a single premium paid up whole life policy. These conditions will apply:

- (a) The policy must be in force when you request the change.
  - (b) You will surrender all rights under this policy in exchange for the paid-up policy.
  - (c) We will calculate the face amount of the paid-up policy in this way: the net cash value divided by the net single premium at the Insured's attained age equals the paid-up face amount.
- Evidence of Insurability** -- When you request this option, we will calculate the difference between the amount of paid-up insurance and the total net single premium. We will compare that amount to the difference between the death benefit and the accumulation value under this policy on the date you choose this option. If the difference between the amount of paid-up insurance and the total net single premium is greater than the difference between the death benefit and the accumulation value, the Insured must give us satisfactory evidence of insurability. We calculate the total net single premium by taking the face amount of the paid-up policy and multiplying it by the net single premium per thousand.

If the Insured does not send us satisfactory evidence of insurability, we will reduce the amount of paid-up insurance accordingly. If there is any net cash value left over after you purchase the paid-up insurance, we will refund it to you.

- (d) We will issue and date the paid-up policy as of the date you surrender this policy.
- (e) The premiums we use for the single premium paid-up insurance will be those in effect as of the date you request the change. They will never be greater than the rates shown in the Table of Maximum Net Single Premiums for Paid-Up Insurance on the following page.

(f) There is a Table of Paid-Up Insurance per Thousand of Net Cash Value following the Table of Net Single Premiums.

- (g) The paid-up insurance will have cash values. If you surrender any paid-up insurance within 30 days of a policy anniversary, the cash value of the insurance will not be less than the cash value on that anniversary.

**Option 2. Extended Term Insurance** -- If the class of risk shown on page 2 of the Policy Data is "Standard," you may continue this policy as non-participating extended term insurance. These conditions will apply:

- (a) The policy must be in force when you request the change.
- (b) You will surrender all rights under this policy in exchange for the extended term policy.
- (c) We will calculate the face amount of the extended term policy in this way: the policy's face amount less any indebtedness as of the date of your request equals the extended term face amount.
- (d) We will calculate the length of the coverage period of the extended term policy by applying the net cash value of this policy as a net single premium for the extended term coverage.
- (e) We will issue and date the extended term policy as of the date you surrender this policy.

**Option 3. Full Surrender** -- You may surrender the policy for its net cash value. The net cash value on the date of your request is the accumulation value minus the surrender penalty and any existing loans. We will also deduct a pro-rata portion of the monthly deduction for the period from the prior monthly date to the date of surrender.

There is a Table of Surrender Penalties following the Table of Paid-Up Insurance per Thousand of Net Cash Value. We will use the factors in the table to determine the surrender penalty we will apply. To calculate the full surrender penalty, find the factor for the Insured's issue age and the number of years the policy has been in force. Multiply this factor by the number of thousands of face amount of the policy. This is the full surrender penalty. There is no surrender penalty after 20 policy years.

If you do not choose an option and your policy lapses at the end of a grace period, or because you did not pay the Required Premium Per Year as described in the Premiums provision, we will automatically use any remaining net cash value to purchase Paid-Up Insurance, as described in Option 1.



TABLE OF MAXIMUM NET SINGLE PREMIUMS FOR PAID-UP INSURANCE PER \$1,000

Insured's Attained Age	Male	Female	Insured's Attained Age	Male	Female	Insured's Attained Age	Male	Female	Insured's Attained Age	Male	Female
20	87.83	89.52	40	197.69	161.49	60	424.84	352.10	80	718.00	672.60
21	90.72	72.37	41	205.06	168.35	61	438.30	365.45	81	730.90	689.08
22	93.98	75.36	42	214.81	175.44	62	453.88	379.27	82	743.53	705.29
23	97.44	78.50	43	223.87	182.74	63	468.85	393.48	83	755.79	721.10
24	101.13	81.80	44	233.21	190.29	64	483.55	408.00	84	767.55	736.36
25	105.06	85.28	45	242.87	198.09	65	498.54	422.80	85	778.73	751.02
26	109.27	88.89	46	252.83	206.16	66	513.59	437.85	86	789.35	766.05
27	113.74	92.69	47	263.11	214.52	67	528.72	453.18	87	799.45	778.49
28	118.49	96.69	48	273.71	223.17	68	543.91	468.85	88	809.16	791.41
29	123.52	100.88	49	284.66	232.12	69	559.20	484.93	89	818.60	803.92
30	128.82	105.26	50	295.95	241.38	70	574.67	501.45	90	827.97	816.15
31	134.41	109.85	51	307.58	250.94	71	589.97	518.39	91	837.48	828.30
32	140.27	114.65	52	319.53	260.81	72	605.33	535.65	92	847.34	840.55
33	146.43	119.68	53	331.78	271.00	73	620.54	553.10	93	857.95	853.20
34	152.86	124.95	54	344.32	281.49	74	635.48	570.59	94	869.67	866.57
35	159.59	130.45	55	357.11	292.29	75	650.07	587.99	95	882.84	880.99
36	166.61	136.20	56	370.16	303.43	76	664.28	605.24	96	897.61	896.68
37	173.92	142.18	57	383.45	314.93	77	678.11	622.30	97	913.85	913.45
38	181.52	148.39	58	397.01	326.85	78	691.63	639.19	98	930.98	930.86
39	189.41	154.83	59	410.84	339.23	79	704.91	656.95	99	947.85	947.85

TABLE OF PAID-UP INSURANCE PER \$1,000 OF NET CASH VALUE

Amount of Paid-Up Insurance =  $\left( \frac{\text{Cash Value}}{1000} \right) \times \text{Factor for the Insured's Attained Age}$

Insured's Attained Age	Male	Female	Insured's Attained Age	Male	Female	Insured's Attained Age	Male	Female	Insured's Attained Age	Male	Female
20	11,411.82	14,384.35	40	5,080.99	6,192.34	60	2,353.28	2,840.11	80	1,392.78	1,486.77
21	11,022.93	13,817.89	41	4,862.96	5,940.81	61	2,276.35	2,736.36	81	1,358.18	1,451.22
22	10,640.67	13,269.64	42	4,655.28	5,689.86	62	2,203.23	2,636.65	82	1,344.94	1,417.85
23	10,262.73	12,738.86	43	4,466.88	5,472.26	63	2,133.79	2,541.43	83	1,323.12	1,386.78
24	9,888.27	12,224.94	44	4,287.99	5,255.14	64	2,068.04	2,450.99	84	1,302.85	1,358.04
25	9,518.38	11,730.21	45	4,117.43	5,048.22	65	2,006.86	2,365.19	85	1,284.16	1,331.53
26	9,151.65	11,249.86	46	3,955.23	4,850.51	66	1,947.08	2,283.89	86	1,268.87	1,307.11
27	8,791.99	10,788.68	47	3,800.70	4,661.58	67	1,891.37	2,206.83	87	1,250.86	1,284.54
28	8,439.54	10,342.34	48	3,653.51	4,480.80	68	1,838.54	2,132.88	88	1,235.85	1,263.52
29	8,095.86	9,912.77	49	3,512.97	4,308.12	69	1,788.27	2,062.16	89	1,221.60	1,243.91
30	7,762.77	9,500.29	50	3,378.95	4,142.85	70	1,740.44	1,994.22	90	1,207.78	1,225.25
31	7,439.93	9,103.33	51	3,251.19	3,985.02	71	1,695.01	1,929.05	91	1,194.09	1,207.30
32	7,129.11	8,722.20	52	3,129.60	3,834.21	72	1,652.00	1,866.90	92	1,180.17	1,189.69
33	6,829.21	8,355.62	53	3,014.05	3,690.04	73	1,611.50	1,808.00	93	1,166.57	1,172.06
34	6,541.94	8,003.21	54	2,904.28	3,552.53	74	1,573.62	1,752.58	94	1,149.87	1,153.98
35	6,266.06	7,665.78	55	2,800.26	3,421.28	75	1,538.30	1,700.71	95	1,132.71	1,135.09
36	6,002.05	7,342.15	56	2,701.54	3,295.55	76	1,505.39	1,652.24	96	1,114.07	1,116.25
37	5,749.78	7,033.34	57	2,607.91	3,176.31	77	1,474.69	1,608.95	97	1,094.28	1,094.76
38	5,509.04	6,739.00	58	2,518.83	3,063.51	78	1,445.86	1,564.49	98	1,074.17	1,074.28
39	5,279.56	6,458.70	59	2,434.04	2,947.88	79	1,418.83	1,524.49	99	1,055.01	1,055.01

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Table of Surrender Penalties  
Per \$1,000 Face Amount

Policy Year

Issue Age	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21+
20	9	9	9	9	9	9	8	8	8	8	7	6	5	4	3	3	2	1	1	0	0
21	10	10	10	10	10	10	10	10	10	9	9	8	7	6	5	4	3	2	1	1	0
22	10	10	10	10	10	10	10	10	10	9	9	8	7	6	5	4	3	2	1	1	0
23	10	10	10	10	10	10	10	10	9	9	9	8	7	6	5	4	3	2	1	1	0
24	12	12	12	12	12	12	11	11	11	11	10	9	8	7	5	4	3	2	2	1	0
25	12	12	12	12	12	12	11	11	11	10	10	9	8	6	5	4	3	2	2	1	0
26	12	12	12	12	12	12	11	11	11	10	10	9	8	6	5	4	3	2	1	1	0
27	14	13	13	13	13	13	13	12	12	12	11	10	9	7	6	5	4	3	2	1	0
28	14	13	13	13	13	13	13	12	12	12	11	10	8	7	6	5	4	3	2	1	0
29	14	13	13	13	13	13	13	12	12	12	11	10	8	7	6	5	4	3	2	1	0
30	15	15	15	15	14	14	14	14	13	13	12	11	9	8	6	5	4	3	2	1	0
31	15	15	15	15	14	14	14	14	13	13	12	11	9	8	6	5	4	3	2	1	0
32	16	16	16	16	16	16	15	15	14	14	13	12	10	8	7	6	4	3	2	1	0
33	17	16	16	16	16	16	15	15	14	14	13	12	10	8	7	5	4	3	2	1	0
34	18	18	18	17	17	17	17	16	16	15	15	13	11	9	7	6	4	3	2	1	0
35	18	18	18	17	17	17	16	16	15	15	14	13	11	9	7	6	4	3	2	1	0
36	19	19	19	19	19	18	18	17	17	16	16	13	11	10	8	6	5	3	2	1	0
37	20	19	19	19	18	18	18	17	17	16	15	13	11	10	8	6	5	3	2	1	0
38	21	20	20	20	20	20	19	18	18	17	16	14	12	10	8	7	5	3	2	1	0
39	21	21	20	20	20	19	19	18	18	17	16	14	12	10	8	6	5	3	2	1	0
40	22	22	21	21	21	21	20	19	19	18	17	15	13	11	9	7	5	4	2	1	0
41	22	22	22	22	21	21	21	21	20	19	18	16	13	11	9	7	5	4	2	1	0
42	23	23	23	22	22	22	21	21	20	19	18	16	13	11	9	7	5	4	2	1	0
43	24	24	23	23	23	22	22	22	21	20	19	17	14	12	9	7	5	4	2	1	0
44	25	24	24	24	23	23	22	22	22	21	20	17	15	12	10	8	6	4	2	1	0

Table of Suggested Penalties  
Per \$1,000 Face Amount

Policy Year

Issue Age	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21+
45	25	25	25	24	24	23	23	23	22	22	21	19	16	13	11	8	6	4	3	1	0
46	26	26	25	25	25	24	24	23	23	22	22	20	17	14	11	9	6	4	3	1	0
47	27	27	26	26	25	25	24	24	23	23	22	20	17	14	11	9	6	4	3	1	0
48	28	27	27	27	26	26	25	24	24	23	23	21	18	15	12	9	7	5	3	1	0
49	29	28	28	27	27	26	26	25	25	24	23	22	18	15	12	9	7	5	3	1	0
50	30	29	29	28	28	27	26	26	25	24	24	23	23	21	18	15	12	9	6	3	0
51	31	30	30	29	29	28	27	27	26	25	24	24	23	21	18	15	12	9	6	3	0
52	32	31	31	30	29	29	28	27	26	26	25	24	24	21	18	15	12	9	6	3	0
53	33	32	32	31	30	30	29	28	27	26	26	25	24	21	18	15	12	9	6	3	0
54	34	34	33	32	31	31	30	29	28	27	26	25	24	21	18	15	12	9	6	3	0
55	36	35	34	33	32	32	31	30	29	28	27	26	24	21	18	15	12	9	6	3	0
56	37	36	35	35	34	33	32	31	29	28	27	26	24	21	18	15	12	9	6	3	0
57	39	38	37	36	35	34	33	31	30	29	28	27	25	22	19	16	13	10	7	4	0
58	40	39	38	37	36	35	34	32	31	30	29	28	25	22	19	16	13	10	7	4	0
59	42	41	40	39	37	36	35	33	32	30	29	28	25	22	18	16	13	10	7	4	0
60	44	43	41	40	39	37	36	34	33	31	30	27	24	21	18	15	12	9	6	3	0
61	45	43	41	40	38	37	35	34	33	31	30	27	24	21	18	15	12	9	6	3	0
62	45	43	41	40	38	37	35	34	33	31	30	27	24	21	18	15	12	9	6	3	0
63	45	43	41	40	38	37	35	34	32	31	30	27	24	21	18	15	12	9	6	3	0
64	44	43	41	39	38	36	35	34	32	31	30	27	24	21	18	15	12	9	6	3	0
65	44	43	41	39	38	36	35	34	32	31	30	27	24	21	18	15	12	9	6	3	0



## ALTERNATIVE PAID-UP LIFE INSURANCE OPTION

You may purchase an Alternative Paid-Up Life Insurance Policy.

You may elect this option on or after the tenth policy anniversary.

When you send a written request to us, we will change this policy to Alternative Paid-Up Life Insurance. The face amount will be the amount that the policy's net cash value will purchase at the single premium rate in effect when you choose the option.

The current rates for Alternative Paid-Up Life are not guaranteed. They will vary by the Insured's attained age when you choose the option, the Insured's sex, whether smoker or nonsmoker, and the Insured's class of risk on this policy as recorded at the time you elect this option.

You may purchase Alternative Paid-Up Life Insurance if you meet these conditions:

1. You must send a written request and the policy to us. We must receive the request within 60 days of the date you signed it and while this option is still in force. You will surrender all rights under this policy in exchange for the Alternative Paid-Up Life policy.

2. This policy must have net cash value above any existing loan and surrender penalty when you request the option.

3. You must agree to accept a new policy loan interest rate provision. The new rate may be a variable one.

4. You must agree that all riders attached to this policy will terminate. We will add the cash value, if any, of the riders attached to this policy to the policy's cash value.

value. We will use the total amount to determine the amount of Alternative Paid-Up Life Insurance you may purchase.

**Evidence of Insurability** -- When you request this option, we will calculate the difference between the amount of Alternative Paid-Up Insurance and the net single premium. We will compare that amount to the difference between the death benefit and the accumulation value under this policy on the date you choose this option. If the difference between the amount of Alternative Paid-Up and the net single premium is greater than the difference between the death benefit and the accumulation value, the Insured must give us satisfactory evidence of insurability.

If the Insured does not send us satisfactory evidence of insurability, we will reduce the amount of Alternative Paid-Up Insurance accordingly. If there is any net cash value left over after you purchase the Alternative Paid-Up policy, we will refund it to you.

**Alternative Paid-Up Insurance Policy** -- We will issue and date the Alternative Paid-Up policy as of the date you request this option. If your request occurs within 30 days after a policy anniversary, the cash surrender value of the Alternative Paid-Up policy will not be less than the cash surrender value on that anniversary.

We will include in the Alternative Paid-Up policy a table of cash values for that policy and a description of the basis we use to calculate those values. The cash values will not be less than the minimum values required by the State in which the policy is delivered. There will be a new policy loan interest rate provision in the Alternative Paid-Up policy.

This option is no longer in force when any of these events occur: (1) the Insured dies, (2) you surrender the policy for its net cash value, (3) you exercise this option, or (4) this policy is terminated.

## PAYMENT OF CASH VALUE AND LOANS

We may delay paying you the partial or full surrender values of this policy for up to six months after we receive your written request for the surrender. We may delay making a loan to you for up to six months after we receive your written request for the loan. We will not delay any loan made to pay premiums due us on any policy.

## POLICY STATEMENTS AND ILLUSTRATIONS

At least once a year, we will send you a statement showing the face amount, accumulation value, cash value, loans, partial surrenders, premiums paid and charges as of the statement date. We will provide you with an illustration of benefits and values at any time if you request it in writing. The first illustration is at no charge to you. We reserve the right to charge you a \$25.00 administrative fee for each subsequent illustration.

## BASIS OF COMPUTATION

The cash values of the policy are not less than the minimum values required by the State in which this policy is delivered. The cash values are based on the guaranteed monthly deduction rates and the guaranteed interest rate. (See the Guaranteed Values section.)

Cash values will always meet or exceed minimum values on the statutory nonforfeiture basis. The basis for the extended term values is the Commissioners 1980 Extended Term Mortality Tables for males and females, age nearest birthday and 5.5% interest. The basis for all other values is the Commissioners 1980 Standard Ordinary Mortality Tables for males and females, age nearest birthday and 5.5% interest. Deaths are assumed to occur at the end of the policy year.

As required, we have filed the method we used to compute minimum cash values and nonforfeiture benefits with the Supervisory Official of the State in which this policy is delivered.

## GENERAL PROVISIONS

**Incontestability of the Policy --** Except for fraud or nonpayment of premiums, this policy will be incontestable after it has been in force during the Insured's lifetime for two years from the original policy's date of issue. This provision does not apply to any rider providing benefits specifically for disability or death by accident.

**Amount We Pay is Limited in the Event of Suicide --** If the Insured dies by suicide, while sane or insane, within two years from the original policy's date of issue, we will be liable only for the amount of premiums paid, less any partial surrenders.

**Misstatement of Age or Sex in the Application --** If there is a misstatement of the Insured's age or sex in the policy, we will adjust the excess of the death benefit over the accumulation value to that which would be purchased by the most recent monthly deduction at the correct age or sex.

**The Contract Consists of the Policy and Application --** We have issued this policy in consideration of the application and premium payments. A copy of the application is attached and is a part of this policy. The policy and the application together are the entire contract. We will not use any statement made by or for the Insured to deny a claim unless the statement is in the application and the application is attached to this policy when we issue it.

**Who Can Make Changes in the Policy --** Only our President or a Vice President together with our Secretary have the authority to make any change in this policy. Any change must be in writing.

**Termination of Insurance --** This policy will terminate at the earliest of:

1. the date of surrender;
2. the policy anniversary nearest the Insured's age 100; or
3. the date of lapse.

**No Dividends are Payable --** This is nonparticipating insurance. It does not participate in our profits or surplus. We do not distribute past surplus or recover past losses by changing the monthly deduction rates.

## SETTLEMENT PROVISIONS

When the Insured dies, we will pay the death benefit in a lump sum unless you or the beneficiary choose a settlement option. You may choose a settlement option while the Insured is living. The beneficiary may choose a settlement option after the Insured has died. The beneficiary's right to choose will be subject to any settlement agreement in effect at the Insured's death.

You may also choose one of these options as a method of receiving the surrender or maturity proceeds, if any are available under this policy.

When we receive a satisfactory written request, we will pay the benefit according to one of these options:

**Option A: Instalments for a Guaranteed Period --** We will pay equal instalments for a guaranteed period of from one to thirty years. Each instalment will consist of part benefit and part interest. We will pay the instalments monthly, quarterly, semi-annually or annually, as requested. See Table A on page 20.

**Option B: Instalments for Life with a Guaranteed Period --** We will pay equal monthly instalments as long as the payee is living, but we will not make payments for less than the guaranteed period the payee chooses. The guaranteed period may be either 10 years or 20 years. We will pay the instalments monthly. See Table B on page 20.

**Option C: Benefit Deposited with Interest --** We will hold the benefit on deposit. It will earn interest at the annual interest rate we are paying as of the date of death, surrender or maturity. We will not pay less than 2 1/2% annual interest. We will pay the earned interest monthly, quarterly, semi-annually or annually, as requested. The payee may withdraw part or all of the benefit and earned interest at any time.

**Option D: Instalments of a Selected Amount --** We will pay instalments of a selected amount until we have paid the entire benefit and accumulated interest.

**Option E: Annuity --** We will use the benefit as a single premium to buy an annuity. The annuity may be payable to one or two payees. It may be payable for life with or without a guaranteed period, as requested. The annuity payment will not be less than what our current annuity contracts are then paying.

The payee may arrange any other method of settlement as long as we agree to it. The payee must be an individual receiving payment in his or her own right. There must be at least \$1,000 available for any option and the amount of each instalment to each payee must be at least \$10. If the benefit amount is not enough to meet these requirements, we will pay the benefit in a lump sum.

We will pay the first instalment under any option on the date of death, maturity or surrender, whichever applies. Any unpaid balance we hold under Options A, B or D will earn interest at the rate we are paying at the time of settlement. We will not pay less than 3% annual interest. Any benefit we hold will be combined with our general assets.

If the payee does not live to receive all guaranteed payments under Options A, B, D or E or any amount deposited under Option C, plus any accumulated interest, we will pay the remaining benefit as scheduled to the payee's estate. The payee may name and change a successor payee for any amount we would otherwise pay the payee's estate.

OPTION D: Instalments of a Selected Amount

OPTION E: Annuity

OPTION A: Instalments for a Guaranteed Period

OPTION B: Instalments for Life with a Guaranteed Period



TABLE A

## Instalments for Each \$1,000 Payable under Option A

Multiply the Monthly Instalment by 11.83895 for Annual, by 5.96322 for Semi-Annual, or by 2.99263 for Quarterly Instalments.					
Guaranteed Period (Yrs.)	Monthly Instalment	Guaranteed Period (Yrs.)	Monthly Instalment	Guaranteed Period (Yrs.)	Monthly Instalment
1	\$84.47	11	\$8.86	21	\$5.32
2	42.86	12	8.24	22	5.15
3	28.99	13	7.71	23	4.99
4	22.06	14	7.26	24	4.84
5	17.91	15	6.87	25	4.71
6	15.14	16	6.53	26	4.59
7	13.16	17	6.23	27	4.48
8	11.68	18	5.96	28	4.37
9	10.53	19	5.73	29	4.27
10	9.61	20	5.51	30	4.18

TABLE B

## Monthly Instalment for Each \$1,000 Payable under Option B

MALE PAYEE														
Guaranteed Period			Guaranteed Period			Guaranteed Period			Guaranteed Period			Guaranteed Period		
Age 10 Yrs. 20 Yrs.			Age 10 Yrs. 20 Yrs.			Age 10 Yrs. 20 Yrs.			Age 10 Yrs. 20 Yrs.			Age 10 Yrs. 20 Yrs.		
11	\$2.90	\$2.89	26	\$3.20	\$3.19	41	\$3.77	\$3.71	56	\$4.92	\$4.59	71	\$7.27	\$5.42
12	2.91	2.91	27	3.22	3.21	42	3.82	3.76	57	5.03	4.66	72	7.48	5.45
13	2.93	2.92	28	3.25	3.24	43	3.88	3.81	58	5.15	4.73	73	7.68	5.46
14	2.94	2.94	29	3.28	3.27	44	3.94	3.86	59	5.27	4.80	74	7.88	5.48
15	2.96	2.96	30	3.31	3.30	45	4.00	3.91	60	5.40	4.87	75	8.08	5.49
16	2.98	2.97	31	3.34	3.33	46	4.07	3.97	61	5.53	4.94	76	8.27	5.50
17	3.00	2.99	32	3.38	3.36	47	4.14	4.02	62	5.68	5.00	77	8.46	5.50
18	3.01	3.01	33	3.41	3.39	48	4.21	4.08	63	5.83	5.07	78	8.63	5.51
19	3.03	3.03	34	3.45	3.43	49	4.28	4.14	64	5.98	5.13	79	8.79	5.51
20	3.05	3.05	35	3.49	3.46	50	4.36	4.20	65	6.15	5.18	80	8.94	5.51
21	3.08	3.07	36	3.53	3.50	51	4.44	4.26	66	6.32	5.24	81	9.07	5.51
22	3.10	3.09	37	3.57	3.54	52	4.53	4.32	67	6.50	5.28	82	9.18	5.51
23	3.12	3.11	38	3.62	3.58	53	4.62	4.39	68	6.68	5.33	83	9.28	5.51
24	3.14	3.14	39	3.67	3.62	54	4.71	4.46	69	6.88	5.36	84	9.36	5.51
25	3.17	3.16	40	3.72	3.67	55	4.81	4.52	70	7.07	5.40	85	9.42	5.51
FEMALE PAYEE														
Guaranteed Period			Guaranteed Period			Guaranteed Period			Guaranteed Period			Guaranteed Period		
Age 10 Yrs. 20 Yrs.			Age 10 Yrs. 20 Yrs.			Age 10 Yrs. 20 Yrs.			Age 10 Yrs. 20 Yrs.			Age 10 Yrs. 20 Yrs.		
11	\$2.83	\$2.83	26	\$3.08	\$3.07	41	\$3.54	\$3.52	56	\$4.51	\$4.35	71	\$6.73	\$5.36
12	2.84	2.84	27	3.10	3.10	42	3.59	3.56	57	4.61	4.42	72	6.94	5.40
13	2.86	2.85	28	3.12	3.12	43	3.63	3.60	58	4.71	4.50	73	7.16	5.43
14	2.87	2.87	29	3.15	3.14	44	3.68	3.65	59	4.82	4.57	74	7.38	5.45
15	2.88	2.88	30	3.17	3.17	45	3.73	3.69	60	4.94	4.65	75	7.60	5.47
16	2.90	2.90	31	3.20	3.19	46	3.78	3.74	61	5.06	4.72	76	7.82	5.48
17	2.91	2.91	32	3.23	3.22	47	3.84	3.79	62	5.19	4.80	77	8.04	5.49
18	2.93	2.93	33	3.26	3.25	48	3.90	3.85	63	5.33	4.88	78	8.25	5.50
19	2.95	2.94	34	3.29	3.28	49	3.96	3.90	64	5.47	4.95	79	8.45	5.51
20	2.96	2.96	35	3.32	3.31	50	4.03	3.96	65	5.63	5.02	80	8.64	5.51
21	2.98	2.98	36	3.35	3.34	51	4.10	4.02	66	5.79	5.09	81	8.82	5.51
22	3.00	2.99	37	3.39	3.37	52	4.17	4.08	67	5.96	5.15	82	8.97	5.51
23	3.02	3.01	38	3.42	3.41	53	4.25	4.14	68	6.14	5.21	83	9.11	5.51
24	3.04	3.03	39	3.46	3.44	54	4.33	4.21	69	6.33	5.27	84	9.23	5.51
25	3.06	3.05	40	3.50	3.48	55	4.42	4.28	70	6.53	5.32	85	9.32	5.51

Ages younger than 11 are the same as shown for age 11, and ages older than 85 are the same as shown for age 85.

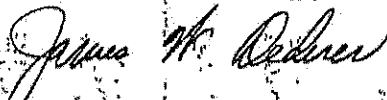
**CREDITED INTEREST ENDORSEMENT**

Transamerica Occidental Life Insurance Company has issued this endorsement as a part of the policy to which it is attached.

This policy has been issued as the result of exercising the change of plan option. As such, the Guaranteed Interest Rates Section of this policy is modified as follows:

All funds will be credited an extra 1% in policy years one through five. The minimum interest rate guarantee will also be increased by 1% during policy years one through five. However, the cumulative 5.5% interest rate will not be affected by this 1% interest rate increase.

Signed for the Company at Los Angeles, California, on the date of issue of this policy.

  
EXECUTIVE VICE PRESIDENT, GENERAL COUNSEL  
AND CORPORATE SECRETARY

  
PRESIDENT

1-005 11-187

Transamerica Occidental  
Life Insurance Company  
Home Office: Los Angeles, CA

APPLICATION AMENDMENT

Life Insured: JERRY DEE NELSON

The Application for Policy No. 92451779 is amended as follows:

PLANNED PERIODIC PAYMENT = \$517.00 ANNUAL DC  
TO SATISFY RAP  
PAY OPTION = A

It is agreed that this amendment shall be part of the application for the policy.

Signed at \_\_\_\_\_ on \_\_\_\_\_ 19, \_\_\_\_\_

Witness to all signatures (Licensed Resident Agent, as required)

JERRY DEE NELSON



Transamerica Occidental  
Life Insurance Company

Home Office: Los Angeles, CA

Policy Form PPL  
Individual Life Insurance

Flexible Premium Life Insurance

Minimum Premium Requirement

First 10 Policy Years

Thereafter Flexible Premiums

Payable During Life of Insured

To Age 100, Subject to Limitations

Described in the Premiums Provision

Death Benefit Payable at Death of

Insured Before Age 100

Net Cash Value Payable at

Insured's Age 100

Nonparticipating - No Annual Dividends

ASSOC. SEC. DIVISION

**CALIFORNIA LIFE INSURANCE  
GUARANTY ASSOCIATION ACT  
NOTICE CONCERNING GENERAL PURPOSES  
AND COVERAGE LIMITATIONS**

Residents of California who purchase life insurance and annuities should know that the insurance companies licensed in this state to write these types of insurance are members of the California Life Insurance Guaranty Association. The purpose of this Association is to assure that policyholders will be protected, within limits, in the unlikely event that a member insurer becomes financially unable to meet its obligations. If this should happen, the Guaranty Association will assess its other member insurance companies for the money to pay the claims of insured persons who live in this state and, in some cases, to keep coverage in force. The valuable extra protection provided by these insurers through the Guaranty Association is not unlimited, however, as noted in the box below.

The California Life Insurance Guaranty Association may not provide coverage for this policy. If coverage is provided, it may be subject to substantial limitations or exclusions, and require continued residency in California. You should not rely on coverage by the California Life Insurance Guaranty Association in selecting an insurance company or in selecting an insurance policy.

Coverage is **NOT** provided for your policy or any portion of it that is not guaranteed by the insurer or for which you have assumed the risk, such as a variable contract sold by prospectus.

Insurance companies or their agents are required by law to give or send you this notice. However, insurance companies and their agents are prohibited by law from using the existence of the guaranty association to induce you to purchase any kind of insurance policy.

Policyholders with additional questions may contact:

**The California Life Insurance Guaranty Association**

**P.O. Box 70069  
Los Angeles, CA 90070**

**California Department of Insurance  
100 Van Ness Avenue - 17th Floor  
San Francisco, California 94102**

The state law that provides for this safety-net coverage is called the California Life Insurance Guaranty Association Act. Below is a brief summary of this law's coverages, exclusions and limits. This summary does not cover all provisions of the law; nor does it in any way change anyone's rights or obligations under the Act or the rights or obligations of the Association.

**COVERAGE**

Generally, individuals will be protected by the California Life Insurance Guaranty Association if they live in this state and hold a life insurance contract, or an annuity, or if they are insured under a group insurance contract, issued by a member insurer. The beneficiaries, payees or assignees of insured persons are protected as well, even if they live in another state.

(please turn to back of page)

## **EXCLUSIONS FROM COVERAGE**

However, persons holding such policies are not protected by this Association if:

- \* they are eligible for protection under the laws of another state (this may occur when the insolvent insurer was incorporated in another state whose guaranty association protects insureds who live outside that state);
- \* the insurer was not authorized to do business in this state;
- \* their policy was issued by a charitable organization, a fraternal benefit society, a mandatory state pooling plan, a mutual assessment company, an insurance exchange, or a grants and annuities society holding a certificate of authority under Section 11520.

The Association also does not provide coverage for:

- \* any policy or portion of a policy which is not guaranteed by the insurer or for which the individual has assumed the risk, such as a variable contract sold by prospectus;
- \* any policy of reinsurance (unless an assumption certificate was issued);
- \* interest rate yields that exceed an average rate;
- \* dividends;
- \* credits given in connection with the administration of a policy by a group contract holder;
- \* unallocated annuity contracts;
- \* any plan or program of an employer or association that provides life, or annuity benefits to its employees or members to the extent the plan is self-funded or uninsured.

## **LIMITS ON AMOUNT OF COVERAGE**

The Act also limits the amount the Association is obligated to pay out. The Association cannot pay more than 80% of what the insurance company would owe under a policy or contract. Also, for any one insured life, the Association will pay a maximum of \$250,000 – no matter how many policies and contracts there were with the same company, even if they provided different types of coverages. Within this overall \$250,000 limit, the Association will not pay more than \$100,000 in cash surrender values, \$100,000 in present value of annuities, or \$250,000 in life insurance death benefits – again, no matter how many policies and contracts there were with the same company, and no matter how many different types of coverages.

NOTICE TO POLICYHOLDERS

As our policyholder, your satisfaction is very important to us. Should you have any questions or problems with your policy or a claim, you may contact your agent or our Home Office at 1-800-852-4678, or write to:

Transamerica Life Companies  
Box 2101  
Los Angeles, CA 90051-0101

If you feel you were unable to resolve your complaint with your agent or the Company, you may contact the State agency listed below to assist you in resolving your complaint.

Until July 1, 1991

California Department of Insurance  
Consumer Services Division  
3450 Wilshire Blvd.  
Los Angeles, CA 90010

Toll-free Telephone Number: 1-800-927-4357

After July 1, 1991

California Department of Insurance  
Consumer Services Division  
300 South Spring Street  
Los Angeles, CA 90013

Toll-free Telephone Number: 1-800-927-4357

*Payment due  
to  
Owner's Jan 1  
Surrender  
Refund*



# TRANSAMERICA LIFE INSURANCE COMPANY

## PREFERRED POLICYOWNERS LIFE

POLICY NUMBER: 92451779

ISSUED JULY 09, 1993

INSURED: JERRY DEE NELSON

MALE ISSUE AGE: 42 STANDARD NON-SMOKER

FACE AMOUNT: \$ 100,000

PREMIUMS PAYABLE: ANNUALLY

PREMIUM PAID TO DATE: \$ 11,891.00

ACCUM VALUE BALANCE AS OF MAY 11, 2016: \$389.26

<> ACCUM VALUE BALANCE PROJECTED TO: JULY  
9, 2016 IS \$169.98

RATING BASIS - NONE

CURRENT WEIGHTED INTEREST RATE: 5.50%

END OF POLICY YR AGE	NON- GUAR. INTR. RATE	ANNUALIZED PREMIUM OUTLAY AND/OR WITHDRAWAL	PROJECTED VALUES AT GUARANTEED INTEREST RATES AND GUARANTEED MONTHLY DEDUCTIONS			NON-GUARANTEED PROJECTED VALUES AT ILLUSTRATED INTEREST RATES AND MONTHLY DEDUCTIONS		
			CASH VALUE	ACCUM VALUE	DEATH BENEFIT	CASH VALUE	ACCUM VALUE	DEATH BENEFIT
00	0.00	0	0	0	0	0	0	0

THIS ILLUSTRATION ASSUMES THAT THE DEFINITIONAL REQUIREMENTS FOR A LIFE INSURANCE CONTRACT UNDER U.S. IRC SECTION 7702  
HAVE BEEN SATISFIED BY COMPLYING WITH THE CASH VALUE ACCUMULATION TEST.

<> Accumulation value projected to JULY 9, 2016 assumes that the policyowner will pay premiums totaling \$0.00 in addition to the "Premiums Paid to Date" shown above. This projected value is based on the lesser of (1) the current weighted interest rate or (2) the current rate for new premiums as described in the attached "Explanatory Notes for PREFERRED POLICYOWNERS LIFE". It is not guaranteed.

IF YOU HAVE MADE A RECENT PAYMENT, LOAN OR WITHDRAWAL, IT MAY NOT BE REFLECTED ON THIS ILLUSTRATION.

PLEASE REFER TO THE ATTACHED EXPLANATORY NOTES.

THIS ILLUSTRATION IS NOT COMPLETE UNLESS ALL NUMBERED PAGES ARE INCLUDED

This is an illustration, not a contract. Presented by Transamerica on MAY 11, 2016, CA Kind Code: 1765 Page 1 of 3



# TRANSAMERICA LIFE INSURANCE COMPANY

## EXPLANATORY NOTES FOR PREFERRED POLICYOWNERS LIFE

THIS ILLUSTRATION IS PREPARED FOR JERRY DEE NELSON  
PREFERRED POLICYOWNERS LIFE POLICY #92451779

### Overview

The life insurance policy illustrated on the previous page(s) is a flexible premium, adjustable life insurance policy, which is commonly called Universal Life. Premium payments may be made at any time for the life of the policy subject to the minimum and maximum premium requirements as explained in the policy. Higher payments will assure that coverage will continue for a longer period than lower payments.

This illustration shows future policy values and length of coverage based on current assumptions and contractual guarantees regarding the interest rate credited, policy charges deducted and premiums you plan to pay in the future. In each example, the interest rate used is shown. The length of coverage and the values which would be provided by the planned premium payments are also shown. Premiums are assumed to be received on the first day of any payment period. Payment of premiums of a different amount or made at a different time will affect actual future policy values and benefits.

CHANGES TO THE CURRENT INTEREST RATE OR POLICY CHARGES MAY RESULT IN ADDITIONAL PREMIUM PAYMENTS BEING REQUIRED TO KEEP THE POLICY IN FORCE.

Future policy values and benefits are calculated using your age, gender, and the underwriting class or rating shown in your policy contract to determine the policy charges deducted. Only the values and benefits in the columns labeled Projected Values at Guaranteed Interest Rate, Guaranteed Monthly Deductions represent amounts actually guaranteed under the policy for the premiums shown. The columns on the right hand side of the ledger show future policy values, benefits, interest rates and charges which are not guaranteed and are subject to change. The columns labeled Non-Guaranteed Projected Values at Illustrated Interest Rates and Monthly Deductions assume, for all years shown, interest rates that are equal to or more conservative than what the company is currently crediting, and monthly deductions which are equal to what the company is currently charging. This illustration is intended to assist you in understanding how the policy works, not to predict actual future performance. Actual results are likely to be different from and may be more or less favorable than those shown in this illustration.

### Annualized Premium Outlay and/or Withdrawals

Amounts in this column will be either premiums or withdrawals (shown with a minus (-) sign). Annualized premiums are the sum of the periodic payments you plan to make each year.

Withdrawals (-) are the amounts taken from the policy's cash value and payable to you. Applicable surrender charges have been deducted from the policy's values. Certain types of withdrawals may be subject to tax. You should consult your tax advisor as to the taxability of any planned withdrawal and the current status of tax laws which are subject to change.

### Current Weighted Interest Rate

The current weighted interest rate is used to project the current unloaned cash values to the next policy anniversary. This rate is the average interest rate currently being earned by the various unloaned portions of your accumulation value as shown in the table of accumulation values in your annual statement. It is not a guaranteed rate.

### Non-Guaranteed Projected Values at Illustrated Interest Rates and Monthly Deductions

The non-guaranteed values are based on the non-guaranteed interest rate. In the first three years illustrated, this is the lesser of (1) the current weighted interest rate and (2) the current rate for new premiums. Thereafter, the values in these columns assume that the non-guaranteed illustrated monthly deductions and other policy charges remain in effect for the duration of the policy. These values are not guaranteed.

This illustration shows non-guaranteed values based on the illustrated premiums and/or withdrawals, the interest rates shown in the "Non-Guar. Intr. Rate" column for the duration of the policy, and the current Monthly Deduction rates and other policy charges. The interest rate currently being credited for this product is 5.50%. It is subject to change at any time. The Company may declare a higher or lower rate, but it will never be less than the guaranteed rate of 4.0% in any one year. Monthly Deduction rates and other policy charges are subject to change, but can never exceed the maximums guaranteed in the contract.

### Projected Values at Guaranteed Interest Rate, Guaranteed Monthly Deduction

The values shown here are calculated using the illustrated premiums and/or withdrawals, the guaranteed maximum monthly deductions and the guaranteed cumulative interest rate of 5.50% for the duration of the policy. The accumulation value on any policy anniversary will be at least equal to what it would have been if the credited interest rate had always been 5.50 percent. The Company could declare an interest rate as low as 4.00% in any year as long as the accumulation value does not go below the guaranteed minimum on a cumulative basis.

### Cash Value Column

The cash value is the accumulation value less applicable surrender penalties and any outstanding loan balance. It is the amount you would receive if you were to surrender the policy as of the policy year-end shown.

### Accumulation Value Column

The accumulation value equals the sum of the premiums paid less expense charges, monthly deductions, and any withdrawals, plus interest accumulated at the non-guaranteed rate(s). It is illustrated here net of any loans.

PLEASE REFER TO THE ATTACHED EXPLANATORY NOTES.

THIS ILLUSTRATION IS NOT COMPLETE UNLESS ALL NUMBERED PAGES ARE INCLUDED

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**TRANSAMERICA LIFE INSURANCE COMPANY**

EXPLANATORY NOTES FOR PREFERRED POLICYOWNERS LIFE

THIS ILLUSTRATION IS PREPARED FOR JERRY DEE NELSON  
PREFERRED POLICYOWNERS LIFE POLICY #82451778**Death Benefit**

The death benefit may differ from the face amount for one or more of the following reasons:

1. If your policy is the Return of Accumulation Value ("Plus") version, the death benefit is the face amount plus the accumulation value.
2. The death benefit is designed to exceed the accumulation value by a specified amount to qualify as life insurance under IRC Section 7702.
3. The death benefit is always reduced by any outstanding loan balance.

**Special Policy Features**

Both the non-guaranteed and guaranteed values reflect only the illustrated activities (such as premiums, withdrawals, loans, and changes to the face amount and death benefit). If you change the amount or timing of any of these activities, the values in your policy will change accordingly. Details may be found in your policy.

If you have any questions regarding this illustration, please contact your Transamerica Servicing Representative, GREENUP, DOUGLAS W, either directly or through the Transamerica servicing agency: DOUGLAS W GREENUP, 30057 MATISSE DR, RANCHO PALOS VERDES, Ca 90275-57, (310) 375-3248.

PLEASE REFER TO THE ATTACHED EXPLANATORY NOTES.

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This is an illustration, not a contract. Presented by Transamerica on MAY 11, 2016, CA Kind Code: 1765 Page 3 of 3

**TRANSAMERICA LIFE INSURANCE COMPANY****PREFERRED POLICYOWNERS LIFE**

POLICY NUMBER: 92451779

ISSUED JULY 09, 1993

INSURED: JERRY DEE NELSON

MALE ISSUE AGE: 42 STANDARD NON-SMOKER

FACE AMOUNT: \$ 100,000

PREMIUMS PAYABLE: ANNUALLY

PREMIUM PAID TO DATE: \$ 11,891.00

ACCUM VALUE BALANCE AS OF MAY 12, 2016: \$389.31

&lt;&gt; ACCUM VALUE BALANCE PROJECTED TO: JULY 9, 2016 IS \$169.97

RATING BASIS - NONE

CURRENT WEIGHTED INTEREST RATE: 5.50%

END OF POLICY YR AGE	NON GUAR. INTRL RATE	ANNUALIZED PREMIUM OUTLAY AND/OR WITHDRAWAL	PROJECTED VALUES AT GUARANTEED INTEREST RATES AND GUARANTEED MONTHLY DEDUCTIONS			NON-GUARANTEED PROJECTED VALUES AT ILLUSTRATED INTEREST RATES AND MONTHLY DEDUCTIONS		
			CASH VALUE	ACCUM VALUE	DEATH BENEFIT	CASH VALUE	ACCUM VALUE	DEATH BENEFIT
24 66	5.50	4,672	2,295	2,295	100,000	3,240	3,240	100,000
25 67	5.50	4,672	4,341	4,341	100,000	6,348	6,348	100,000
26 68	5.50	4,672	6,310	6,310	100,000	9,483	9,463	100,000
27 69	5.50	4,672	8,184	8,184	100,000	12,588	12,588	100,000
28 70	5.50	4,672	9,942	9,942	100,000	15,721	15,721	100,000
29 71	5.50	4,672	11,552	11,552	100,000	18,897	18,897	100,000
30 72	5.50	4,672	12,979	12,979	100,000	22,097	22,097	100,000
31 73	5.50	4,672	14,150	14,150	100,000	25,316	25,316	100,000
32 74	5.50	4,672	15,011	15,011	100,000	28,506	28,506	100,000
33 75	5.50	4,672	15,485	15,485	100,000	31,661	31,661	100,000
34 76	5.50	4,672	15,493	15,493	100,000	34,664	34,664	100,000
35 77	5.50	4,672	14,951	14,951	100,000	37,523	37,523	100,000
36 78	5.50	4,672	13,765	13,765	100,000	40,252	40,252	100,000
37 79	5.50	4,672	11,815	11,815	100,000	42,838	42,838	100,000
38 80	5.50	4,672	8,951	8,951	100,000	45,279	45,279	100,000
39 81	5.50	4,672	4,934	4,934	100,000	47,586	47,586	100,000
40 82	5.50	4,672	0	0	0	49,775	49,775	100,000
41 83	5.50	4,672	0	0	0	51,864	51,864	100,000
42 84	5.50	4,672	0	0	0	53,852	53,852	100,000
43 85	5.50	4,672	0	0	0	55,738	55,738	100,000

THIS ILLUSTRATION ASSUMES THAT THE DEFINITIONAL REQUIREMENTS FOR A LIFE INSURANCE CONTRACT UNDER U.S. IRC SECTION 7702 HAVE BEEN SATISFIED BY COMPLYING WITH THE CASH VALUE ACCUMULATION TEST.

<> Accumulation value projected to JULY 9, 2016 assumes that the policyowner will pay premiums totaling \$0.00 in addition to the "Premiums Paid to Date" shown above. This projected value is based on the lesser of (1) the current weighted interest rate or (2) the current rate for new premiums as described in the attached "Explanatory Notes for PREFERRED POLICYOWNERS LIFE". It is not guaranteed.

IF YOU HAVE MADE A RECENT PAYMENT, LOAN OR WITHDRAWAL, IT MAY NOT BE REFLECTED ON THIS ILLUSTRATION.

PLEASE REFER TO THE ATTACHED EXPLANATORY NOTES.

THIS ILLUSTRATION IS NOT COMPLETE UNLESS ALL NUMBERED PAGES ARE INCLUDED

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**TRANSAMERICA LIFE INSURANCE COMPANY****PREFERRED POLICYOWNERS LIFE**

POLICY NUMBER: 92451779

ISSUED JULY 09, 1993

INSURED: JERRY DEE NELSON

MALE ISSUE AGE: 42 STANDARD NON-SMOKER

FACE AMOUNT: \$ 100,000

PREMIUMS PAYABLE: ANNUALLY

PREMIUM PAID TO DATE: \$ 11,891.00

ACCUM VALUE BALANCE AS OF MAY 12, 2016: \$389.31

&lt;&gt; ACCUM VALUE BALANCE PROJECTED TO: JULY 9, 2016 IS \$169.97

RATING BASIS - NONE

CURRENT WEIGHTED INTEREST RATE: 5.50%

END OF POLICY YR. AGE	NON GUAR. INTR. RATE	ANNUALIZED PREMIUM OUTLAY AND/OR WITHDRAWAL	PROJECTED VALUES AT GUARANTEED INTEREST RATES AND GUARANTEED MONTHLY DEDUCTIONS			NON-GUARANTEED PROJECTED VALUES AT ILLUSTRATED INTEREST RATES AND MONTHLY DEDUCTIONS		
			CASH VALUE	ACCUM VALUE	DEATH BENEFIT	CASH VALUE	ACCUM VALUE	DEATH BENEFIT
44 86	5.50	4,672	0	0	0	57,534	57,534	100,000
45 87	5.50	4,672	0	0	0	59,210	59,210	100,000
46 88	5.50	4,672	0	0	0	60,762	60,762	100,000
47 89	5.50	4,672	0	0	0	62,162	62,162	100,000
48 90	5.50	4,672	0	0	0	63,389	63,389	100,000
49 91	5.50	4,672	0	0	0	64,379	64,379	100,000
50 92	5.50	4,672	0	0	0	65,064	65,064	100,000
51 93	5.50	4,672	0	0	0	65,280	65,280	100,000
52 94	5.50	4,672	0	0	0	64,903	64,903	100,000
53 95	5.50	4,672	0	0	0	63,722	63,722	100,000
54 96	5.50	4,672	0	0	0	61,354	61,354	100,000
55 97	5.50	4,672	0	0	0	56,807	56,807	100,000
56 98	5.50	4,672	0	0	0	48,264	48,264	100,000
57 99	5.50	4,672	0	0	0	32,357	32,357	100,000
58 100	5.50	4,672	0	0	0	1,930	1,930	100,000

THIS ILLUSTRATION ASSUMES THAT THE DEFINITIONAL REQUIREMENTS FOR A LIFE INSURANCE CONTRACT UNDER U.S. IRC SECTION 7702 HAVE BEEN SATISFIED BY COMPLYING WITH THE CASH VALUE ACCUMULATION TEST.

<> Accumulation value projected to JULY 9, 2016 assumes that the policyowner will pay premiums totaling \$0.00 in addition to the "Premiums Paid to Date" shown above. This projected value is based on the lesser of (1) the current weighted interest rate or (2) the current rate for new premiums as described in the attached "Explanatory Notes for PREFERRED POLICYOWNERS LIFE". It is not guaranteed.

IF YOU HAVE MADE A RECENT PAYMENT, LOAN OR WITHDRAWAL, IT MAY NOT BE REFLECTED ON THIS ILLUSTRATION.

PLEASE REFER TO THE ATTACHED EXPLANATORY NOTES.

THIS ILLUSTRATION IS NOT COMPLETE UNLESS ALL NUMBERED PAGES ARE INCLUDED

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**TRANSAMERICA LIFE INSURANCE COMPANY****EXPLANATORY NOTES FOR PREFERRED POLICYOWNERS LIFE**

THIS ILLUSTRATION IS PREPARED FOR JERRY DEE NELSON  
PREFERRED POLICYOWNERS LIFE POLICY #9245177B

**Overview**

The life insurance policy illustrated on the previous page(s) is a flexible premium, adjustable life insurance policy, which is commonly called Universal Life. Premium payments may be made at any time for the life of the policy subject to the minimum and maximum premium requirements as explained in the policy. Higher payments will ensure that coverage will continue for a longer period than lower payments.

This illustration shows future policy values and length of coverage based on current assumptions and contractual guarantees regarding the interest rate credited, policy charges deducted and premiums you plan to pay in the future. In each example, the interest rate used is shown. The length of coverage and the values which would be provided by the planned premium payments are also shown. Premiums are assumed to be received on the first day of any payment period. Payment of premiums of a different amount or made at a different time will affect actual future policy values and benefits.

CHANGES TO THE CURRENT INTEREST RATE OR POLICY CHARGES MAY RESULT IN ADDITIONAL PREMIUM PAYMENTS BEING REQUIRED TO KEEP THE POLICY IN FORCE.

Future policy values and benefits are calculated using your age, gender, and the underwriting class or rating shown in your policy contract to determine the policy charges deducted. Only the values and benefits in the columns labeled Projected Values at Guaranteed Interest Rate, Guaranteed Monthly Deductions represent amounts actually guaranteed under the policy for the premiums shown. The columns on the right hand side of the ledger show future policy values, benefits, interest rates and charges which are not guaranteed and are subject to change. The columns labeled Non-Guaranteed Projected Values at Illustrated Interest Rates and Monthly Deductions assume, for all years shown, interest rates that are equal to or more conservative than what the company is currently crediting, and monthly deductions which are equal to what the company is currently charging. This illustration is intended to assist you in understanding how the policy works, not to predict actual future performance. Actual results are likely to be different from and may be more or less favorable than those shown in this illustration.

**Annualized Premium  
Outlay and/or  
Withdrawals**

Amounts in this column will be either premiums or withdrawals (shown with a minus (-) sign). Annualized premiums are the sum of the periodic payments you plan to make each year.

Withdrawals (-) are the amounts taken from the policy's cash value and payable to you. Applicable surrender charges have been deducted from the policy's values. Certain types of withdrawals may be subject to tax. You should consult your tax advisor as to the taxability of any planned withdrawal and the current status of tax laws which are subject to change.

**Current Weighted  
Interest Rate**

The current weighted interest rate is used to project the current unloaned cash values to the next policy anniversary. This rate is the average interest rate currently being earned by the various unloaned portions of your accumulation value as shown in the table of accumulation values in your annual statement. It is not a guaranteed rate.

**Non-Guaranteed  
Projected Values at  
Illustrated Interest Rates  
and Monthly Deductions**

The non-guaranteed values are based on the non-guaranteed interest rate. In the first three years illustrated, this is the lesser of (1) the current weighted interest rate and (2) the current rate for new premiums. Thereafter, the values in these columns assume that the non-guaranteed illustrated monthly deductions and other policy charges remain in effect for the duration of the policy. These values are not guaranteed.

This illustration shows non-guaranteed values based on the illustrated premiums and/or withdrawals, the interest rates shown in the "Non-Guar. Intr. Rate" column for the duration of the policy, and the current Monthly Deduction rates and other policy charges. The interest rate currently being credited for this product is 5.50%. It is subject to change at any time. The Company may declare a higher or lower rate, but it will never be less than the guaranteed rate of 4.0% in any one year. Monthly Deduction rates and other policy charges are subject to change, but can never exceed the maximums guaranteed in the contract.

**Projected Values at  
Guaranteed Interest  
Rate, Guaranteed  
Monthly Deduction**

The values shown here are calculated using the illustrated premiums and/or withdrawals, the guaranteed maximum monthly deductions and the guaranteed cumulative interest rate of 5.50% for the duration of the policy. The accumulation value on any policy anniversary will be at least equal to what it would have been if the credited interest rate had always been 5.50 percent. The Company could declare an interest rate as low as 4.00% in any year as long as the accumulation value does not go below the guaranteed minimum on a cumulative basis.

**Cash Value Column**

The cash value is the accumulation value less applicable surrender penalties and any outstanding loan balance. It is the amount you would receive if you were to surrender the policy as of the policy year-end shown.

**Accumulation Value  
Column**

The accumulation value equals the sum of the premiums paid less expense charges, monthly deductions, and any withdrawals, plus interest accumulated at the non-guaranteed rate(s). It is illustrated here net of any loans.

PLEASE REFER TO THE ATTACHED EXPLANATORY NOTES.

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# TRANSAMERICA LIFE INSURANCE COMPANY

## EXPLANATORY NOTES FOR PREFERRED POLICYOWNERS LIFE

THIS ILLUSTRATION IS PREPARED FOR JERRY DEE NELSON  
PREFERRED POLICYOWNERS LIFE POLICY #92451779

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### Death Benefit

The death benefit may differ from the face amount for one or more of the following reasons:

1. If your policy is the Return of Accumulation Value ("Plus") version, the death benefit is the face amount plus the accumulation value.
2. The death benefit is designed to exceed the accumulation value by a specified amount to qualify as life insurance under IRC Section 7702.
3. The death benefit is always reduced by any outstanding loan balance.

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### Special Policy Features

Both the non-guaranteed and guaranteed values reflect only the illustrated activities (such as premiums, withdrawals, loans, and changes to the face amount and death benefit). If you change the amount or timing of any of these activities, the values in your policy will change accordingly. Details may be found in your policy.

If you have any questions regarding this illustration, please contact your Transamerica Servicing Representative, GREENUP, DOUGLAS W, either directly or through the Transamerica servicing agency: DOUGLAS W GREENUP, 30057 MATISSE DR, RANCHO PALOS VERDES, Ca 90275-57, (310) 375-3248.

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# **EXHIBIT B**